

# Downward fee pressure on 401k providers: automation simplifies 401(k) plan transfers and terminations

*Fintech startup leverages technology of automation in industry riddled with legacy models and antiquated methods to create efficiencies and reduce cost.*

SALT LAKE CITY, UT, USA, May 26, 2020 /EINPresswire.com/ -- A small business can face many



obstacles in creating a meaningful retirement benefit for employees. These obstacles can come in a couple forms, but two of those that are a little more prominent seem to be fees and limited access to [401k features](#).

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*Jared Porter*

When a small business joins what are referred to as [full-service 401k providers](#), they tend to do this out of convenience and consolidation, but what they do not realize is the fee that is hidden when they look to reduce costs and move or transfer their 401k plan to another

provider. These fees are like handcuffs and render these small businesses unable to move their 401k plan to a new provider.

Although the cost may have more to do with the manual process associated with transferring a 401k plan, it is absolutely artificially raised to keep the business from moving.

When you look at the steps required to move a 401k plan from one provider to another, it becomes quickly apparent that there can be improvements. In many cases the initial outreach to start a transfer from one place to the next takes weeks.

Technology is the saving grace when it comes to costs, and 401GO uses automation to completely remove unnecessary costs, such as transfer or termination fees. In fact, according to 401GO's CEO, Jared Porter, "adding fees that are meant to restrict or prevent movement of businesses looking to save or reduce expense isn't conducive to our mission of affordability." That is to say, if they can automate it and reduce or eliminate the cost, then they will do it.

Contrary to what is common in the industry, 401GO does not charge a transfer or termination fee to clients on their 401k platform. Furthermore, 401GO has automated the allocation process

of transferred 401k plan assets to take minutes instead of days or weeks. These are just a couple ways that a modern [401k fintech](#) provider is shifting the overall industry in a positive direction.

Technology has impacted the retirement industry year after year, and studies are showing that this is reducing the amount of time things take and ultimately costs. Automation of those processes are second nature to 401GO, and they have leveraged that since their company's inception by not only having some of the lowest 401k costs in the industry, but some of the highest quality features.

So when it comes to fees being tacked onto a small business trying to move, it is concerning. What other fees are baked into that 401k plan and what's in the small print? For an industry that is constantly under scrutiny for fees and mishandling, the solution is technology, automation, and transparency.

#### About 401GO

Founded in 2018, 401GO has the mission to make 401(k) plans accessible to all businesses. Whether it's a new startup 401(k) plan or an existing 401(k) plan, they make setup and administration easy and straightforward. To help ensure everyone is ready for retirement they have low costs and suitable 401(k) investments. No hidden costs, such as setup, document, or filing fees. Their pricing is a simple per participant fee of \$9 per month.

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