

A high-angle photograph of a construction site. In the center, two construction workers wearing hard hats and safety vests are standing and talking. The ground is covered with various construction materials, including stacks of rebar, wooden forms, and metal scaffolding. In the background, there are concrete structures and more construction equipment.

CASE STUDY

Transforming a 401(k) Plan into a Strategic Wealth-Building Tool

A large Nebraska-based general contractor with approximately 250 employees was preparing for a generational shift in ownership and leadership. While the company had long managed its own 401(k) plan, both the retiring HR leader and the incoming leadership team recognized a shared need: to reduce the administrative complexity and fiduciary risk of plan sponsorship, while delivering a more impactful retirement benefit.

As a longstanding member of the Associated General Contractors (AGC), Lutz Financial brought deep familiarity with the construction industry's workforce dynamics and benefit challenges—offering a tailored, industry-aware approach.

THE CHALLENGES

As the organization evolved, four key challenges became clear:

+ Leadership Transition

The transition to second-generation leadership revealed administrative gaps in the retirement plan, prompting a need for clearer oversight, streamlined processes, and reduced fiduciary exposure.

+ Administrative Burden

The plan's internal administration was manual and inefficient, placing a growing burden on HR and increasing the risk of errors.

+ Audit Costs

Annual 401(k) audits cost over \$16,000 and consumed significant time and staff attention, diverting focus from strategic HR priorities.

+ Lack of Investment Oversight Support

The company's internal committee had been managing investments, but leadership sought a more sophisticated, outsourced solution.

THE LUTZ FINANCIAL APPROACH

Lutz Financial implemented a comprehensive, coordinated strategy to support both company leadership and plan participants.

+ Pooled Employer Plan (PEP) Migration

Lutz transitioned the company into a PEP structure, removing the need for an individual 401(k) audit and significantly streamlining administration.

+ Fiduciary Responsibility Transfer

As a 3(38) Investment Manager, Lutz assumed responsibility for selecting and monitoring investments, eliminating the need for an internal committee.

+ Enhanced Employee Experience

Lutz began providing annual, on-site one-on-one financial planning sessions during mandatory safety meetings, ensuring every employee received personalized guidance.

+ Bilingual Educational Website

A custom-built employee education hub (English & Spanish) gave participants easy access to plan resources and financial wellness tools.

+ Wealth Access for All

Employees were offered access to Lutz's broader wealth management services, bridging the gap often left by large national firms.

+ Legacy Wealth Relationships

After the ESOP transition, the original owners entrusted Lutz with managing their personal wealth, deepening the relationship through individualized retirement and financial planning.

THE OUTCOME

The company now enjoys a simplified, cost-efficient retirement plan structure, freeing up leadership to focus on business priorities while employees gain real access to professional advice and long-term planning.



COST SAVINGS

Eliminated ~\$16,000 in annual audit expenses and significantly reduced administrative burden.



FIDUCIARY CLARITY

Leadership offloaded investment oversight to a dedicated 3(38) manager.



INCREASED ENGAGEMENT

Annual planning meetings and bilingual education tools increased employee trust and participation.



EXPANDED WEALTH RELATIONSHIPS

As the company grew, leadership recognized the value of offering financial planning to top employees—enhancing engagement, loyalty, and benefits differentiation.