

**Part 2A of Form ADV: *Firm Brochure***

**HR BENEFIT ADVISORS, LTD.**

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March 4, 2020

**This brochure provides information about the qualifications and business practices of HR Benefit Advisors, Ltd. (hereinafter “HR” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (585) 777-4114 or at [mcolao@hr-benefit.com](mailto:mcolao@hr-benefit.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about HR is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for HR is 140466.**

**Item 2. Summary of Material Changes**

We have no material changes to report since the last filing of this brochure.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

HR Benefit Advisors, Ltd. (“HR”) is an SEC registered investment adviser with its principal place of business located in Rochester, New York. We have been in business since 1993, with Michael R. Colao as President and Chief Compliance Officer and Gary S. Mink as Executive Vice President.

##### Pension Consulting Services

We provide several advisory services separately or in combination. The primary clients for these services will be pension, profit sharing and 401(k) plans. Pension Consulting Services will typically consist of one or all of the following:

Monitoring of Investment Performance: We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement provided by the client. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

We also provide pension plan consulting services which may include the identification and evaluation of plan providers; analyzing and comparing bundled vs. unbundled service providers; and the evaluation of plan fees.

We will also evaluate plan record keeping and reporting requirements and assess the benchmarking of plan investment options and review plan investment public performance. We will also assist 401(k) plans in improving the yield on their stable value fund options.

*As of 12/31/2019, our firm was consulting on \$270,000,000 of pension plan assets.*

#### **Item 5. Fees and Compensation**

##### Pension Consulting Services

Our fees for Pension Consulting Services are charged as a fixed project fee, typically ranging from \$5,000 to \$25,000, depending on the nature and complexity of the client's circumstances, amount of assets under advisement, and upon mutual agreement with the client.

HR will quote an exact percentage to each client based on both the nature and total dollar value of that account, as well as the client's personal circumstances and

financial goals. 50% of the total fee may be due upon signing the Pension Consulting Services agreement, with the balance due upon completion of the service.

#### Compensation for the Sale of Securities or other Investment Products

In addition to being a registered investment adviser, HR is also an employee benefits consulting firm and insurance broker. HR's primary focus is on the insurance business. HR provides insurance consulting for hourly fees. These services are separate and distinct from HR's advisory services, and are provided for separate and typical compensation.

Certain associated persons of HR are insurance agents/brokers of various insurance companies. In these capacities, these individuals may recommend insurance products and receive customary insurance commissions if products are purchased through HR. Associated persons of HR do not recommend insurance products to advisory clients, therefore no conflict of interest exists.

Our firm's advisory fees are not reduced by the amount of commissions received by associated persons of HR.

#### Fees in General

Fees are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be advised, related accounts, account composition, negotiations with client, etc.).

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Under no circumstances will we earn fees in excess of \$1200 more than six months in advance of services rendered.

#### Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a 30 day written notice at our principal place of business. Upon termination of any account, any earned, unpaid fees through the date of termination of the account fees will be due and payable and any prepaid, unearned fees will be promptly refunded on a pro-rated basis.

#### Mutual Fund Fees and Expenses

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will

generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

### **Item 6. Performance-Based Fees and Side-By-Side Management**

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7. Types of Clients**

Our firm generally provides advisory services to pension and profit sharing plans.

We do not require a minimum account size or minimum fee.

### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Our firm employs the following type of analysis to formulate client recommendations.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies

that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategy to implement investment advice given to clients:

Long-term purchases: We mostly recommend the purchase of securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before the client decides to sell.

***Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

#### **Item 10. Other Financial Industry Activities and Affiliations**

As disclosed in Item 5 of this Brochure, associated persons of HR are insurance agents/brokers of various insurance companies, including HR, which is also an insurance agency. Please refer to Item 5 for a detailed explanation of these relationships.

Clients should be aware that the receipt of additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase recommended investment products from our employees;

3. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

HR and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

HR's Code of Ethics includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [mcolao@hr-benefit.com](mailto:mcolao@hr-benefit.com), or by calling us at 585-777-4114.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's



Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's President/Chief Compliance Officer.
5. We have established procedures for the maintenance of all required books and records.
6. Clients can decline to implement any advice rendered.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

### Pension Consulting Services

We do not arrange for the execution of securities transactions as part of our Pension Consulting Services and we do not recommend broker-dealers and/or custodians to clients as part of our services.

**Item 13. Review of Accounts**

Pension Consulting Services

Michael Colao will review the investment options of the plan according to the agreed upon time intervals established in the investment policy statement. Such reviews will generally occur quarterly.

These clients will receive reports as contracted for at the inception of the advisory relationship.

**Item 14. Client Referrals and Other Compensation**

HR and/or associated persons of HR may receive incentive awards for the recommendation or introduction of insurance products. Such products are not recommended to HR advisory clients.

**Item 15. Custody**

HR does not have custody of client funds or securities.

**Item 16. Investment Discretion**

HR provides pension consulting services and does not have the discretionary authority to manage securities accounts on behalf of its clients.

**Item 17. Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1200 more than six months in advance of services rendered.

**Part 2B of Form ADV: *Brochure Supplement***

**Michael R. Colao**

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03/04/2020

**This brochure supplement provides information about Michael R. Colao that supplements the HR Benefit Advisors, Ltd. brochure. You should have received a copy of that brochure. Please contact Michael R. Colao if you did not receive HR Benefit Advisor's brochure or if you have any questions about the contents of this supplement.**

**Item 2. Educational Background and Business Experience**

Michael R. Colao

Year of Birth: 1955

Education:

Mr. Colao attended the State University at Brockport from 1983 to 1985.

Business Background:

Mr. Colao is the President and Chief Compliance Officer of HR Benefit Advisors, Ltd., from 10/1993 to present.

**Item 3. Disciplinary Information**

Mr. Colao has no history of any disciplinary events.

**Item 4. Other Business Activities**

In addition to being a registered investment adviser, HR Benefit Advisors, Ltd. (“HR”) is also an employee benefits consulting firm and insurance agency. Mr. Colao is also a licensed insurance agent. In this capacity, Mr. Colao may recommend insurance products and receive customary insurance commissions if products are purchased through HR. Mr. Colao does not recommend insurance products to advisory clients, therefore no conflict of interest exists.

**Item 5. Additional Compensation**

Mr. Colao may receive incentive awards for the recommendation or introduction of insurance products. Such products are not recommended to HR advisory clients. Please see the disclosure in Item 4 above for more information on additional compensation.

**Item 6. Supervision**

As officers and owners of HR, Michael R. Colao and Gary S. Mink are jointly responsible for all employee supervision. They can be reached at (585) 777-4114. Mr. Colao is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.

**Part 2B of Form ADV: *Brochure Supplement***

**Gary S. Mink**

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03/04/2020

**This brochure supplement provides information about Gary S. Mink that supplements the HR Benefit Advisors, Ltd. brochure. You should have received a copy of that brochure. Please contact Michael R. Colao, President and Chief Compliance Officer, if you did not receive HR Benefit Advisor's brochure or if you have any questions about the contents of this supplement.**

**Item 2. Educational Background and Business Experience**

Gary S. Mink

Year of Birth: 1953

Education:

Mr. Mink graduated from New York University in 1974 with a B.A. in Political Science; and in 1976 with a M.B.A. in Business Administration.

Business Background:

Gary S. Mink is the Executive Vice President of HR Benefit Advisors, Ltd., from 10/1993 to present.

**Item 3. Disciplinary Information**

Mr. Mink has no history of any disciplinary events.

**Item 4. Other Business Activities**

In addition to being a registered investment adviser, HR Benefit Advisors, Ltd. (“HR”) is also an employee benefits consulting firm and insurance agency. Mr. Mink is also a licensed insurance agent. In this capacity, Mr. Mink may recommend insurance products and receive customary insurance commissions if products are purchased through HR. Mr. Mink does not recommend insurance products to advisory clients, therefore no conflict of interest exists.

**Item 5. Additional Compensation**

Mr. Mink may receive incentive awards for the recommendation or introduction of insurance products. Such products are not recommended to HR advisory clients. Please see the disclosure in Item 4 above for more information on additional compensation.

**Item 6. Supervision**

As officers and owners of HR, Michael R. Colao and Gary S. Mink are jointly responsible for all employee supervision. They can be reached at (585) 777-4114. Mr. Colao is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.