

FIDUCIARY RESPONSIBILITY

FOR
401(k) AND OTHER DEFINED CONTRIBUTION
RETIREMENT PLANS



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FIDUCIARY RESPONSIBILITY

⇒ Who is a “fiduciary” under ERISA?

- Any person who exercises any discretionary authority or control over the Plan’s management;
- Any person who exercises any authority or control over the management or disposal of Plan assets;
- Any person who renders investment advice for a fee or other compensation, with respect to Plan funds or property; or
- Any person who has discretionary authority or responsibility in the Plan’s administration.

FIDUCIARY RESPONSIBILITY

⇒ **Fiduciary or not?**

- Someone who calculates service and compensation for benefits? **NO**
- Someone who prepares communications to employees? **NO**
- Someone who maintains participant service and employment records? **NO**
- Someone who prepares reports required by governmental agencies? **NO**
- Someone who explains the Plan to new participants and advises participants of their rights and options under the Plan? **NO**
- Someone who collects contributions and applies them to the Plan? **NO**

Is the Plan Trustee a Fiduciary?

YES!!!

FIDUCIARY RESPONSIBILITY

⇒ What are your Fiduciary Responsibilities under ERISA?

- Understanding the terms of the Plan
- Selecting and monitoring service providers
- Making timely contributions to the Plan's funds
- Avoiding prohibited transactions
- Making timely disclosures to the Plan participants
- Making timely reports to the government

TRUSTEE CHECKLIST

FEES & EXPENSES

- Monitor** the fees and expenses being paid by the Plan.
- Confirm** that the fees and expenses charged to the Plan are **reasonable**.
- Timely disclose** all of the fees and expenses being paid by the Plan to all of the participants.
- Document** your reviews and decisions made with respect to the fees and expenses being paid by the Plan.

INVESTMENTS

- Maintain** a written Investment Policy Statement for the Plan.
- Confirm** that Plan participants have a broad range of reasonable investment options for the Plan.
- Review** the investment options at least annually, to ensure that the investment options continue to meet the requirements set forth in the Plan's Investment Policy Statement.
- Document** your reviews and decisions made with respect to the investment options available to the participants.

TRUSTEE CHECKLIST

SERVICE PROVIDERS

- Monitor** all experts and providers retained to provide services for the Plan to ensure they are meeting the performance standards set for them.
- Communicate** with multiple service providers to ensure that services are integrated in a timely, accurate, and cost efficient manner.
- Document** your reviews and decisions made with respect to the service providers working for the Plan.

PLAN ADMINISTRATION

- Confirm** that the payroll processor is accurately and timely withholding and reporting all deferrals and contributions.
- Confirm** that all eligible employees are timely enrolled according to the provisions of the Plan.
- Work closely with your PPA Administrator** to ensure that all reporting and compliance matters are timely completed.
- Document** your work with respect to the administration of the Plan.

TRUSTEE CHECKLIST

EDUCATION

- Maintain** a written Education Policy Statement for the Plan.
- Deliver** a current Summary Plan Description to all employees. Redistribute the Summary Plan Description or distribute a Summary of Material Modifications whenever Plan design changes dictate, and provide Summary Annual Reports and any required notices based on Plan design.
- Arrange** for seminars to educate participants about the Plan, the importance of saving for retirement, and the basics of investing.
- Confirm** that the Financial Advisor for the Plan is readily available for meetings with participants.
- Arrange** for employee education meetings, at least annually, in collaboration with PPA and the Plan's Financial Advisor.
- Monitor** the education strategies and opportunities at least annually to ensure that they continue to meet the standards set out in the Plan's Education Policy Statement.
- Document** your reviews and decisions made with respect to the participant education strategies for the Plan.

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