

WEBINAR TAKEAWAYS:

WHO'S IN CHARGE HERE?



What is Plan Governance?

Plan oversight that helps make sure fiduciaries manage their benefit plans in an effective & compliant manner

- Required of ERISA regulated retirement plans
- Plan sponsor & fiduciaries retain personal financial liability

Governance Duties

Ask & answer:

- Are plan documents in good order?
- Are service providers performing according to contracts?
- Are assets accounted for & performing as expected?
- Are fees & plan expenses reasonable?

Governance Decision-Making Process

- Ask & answer all relevant questions necessary to achieve desirable outcome
- Follow terms of existing governing plan documents
- Investigate: Due diligence!
- Hire experts to achieve desired outcome (if necessary)

Year-End Governance Requirements:

Plan Documents Review

- Plan Trust Document
- Adoption agreement
- Committee resolutions
- Trust/Plan amendments
- SPD
- Investment Policy Statement
- ERISA Fidelity Bond
- Participant Loan Policy
- QDRO Policy Statement

Committee Level Review

- Officers appointed
- Fiduciary Acceptance Letter
- Written by-laws
- Meeting minutes

Risk Management Policy Review

- ERISA Fidelity Bond
- Fiduciary Liability Policy

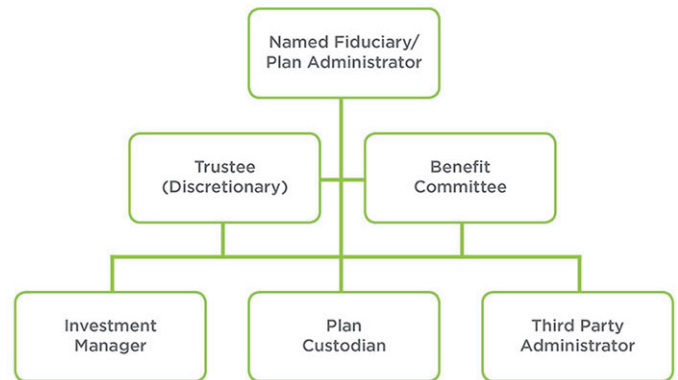
Financial Records Review

- Trust reports
- Bank & brokerage account statements
- Account journals (receipt & disbursements)
- Expense records
- Checkbook registry (canceled checks, deposit slips)
- Forfeiture account activity

Required Disclosure Notices

- Annual Participant Statement
- Summary Annual Report
- 404(c) Safe Harbor Notice
- Qualified Default Investment Alternative Notice
- 404(a)(5) Plan Level & Participant Level Notices

ERISA Trust Organizational Structure



Named Fiduciary

- Primary fiduciary over plan
- Control over plan investment matters
- “Plan Sponsor” or employer
- Can appoint others to assist with operation of plan

Plan Administrator

- Special type of fiduciary: Key reporting & disclosure responsibilities under ERISA
- Responsible for plan’s annual regulatory filings: Form 5500
- Hires service providers
- Provides required participant disclosure documents

Trustee

- Responsible for plan assets
- Appoints & monitors activities of Trustee (unless plan allows for delegation to another fiduciary)

Committee Members

- Conduct plan administration delegated by Named Fiduciary
- Each member must acknowledge fiduciary duties & accountability
- Make “informed” & “reasoned” decisions

Custodian

- Holds assets of the plan

Recordkeeper

- Responsible for ensuring salary deferrals are invested as directed

Investment Manager

- Plan fiduciary