

# Managing your Fiduciary Duty

## As a fiduciary you have 5 major responsibilities <sup>1</sup>

- 1

Act solely in the interest of plan participants and their beneficiaries

✓
- 2

Prudently carry out duties

✓
- 3

Follow plan documents (unless inconsistent with ERISA)

✓
- 4

Diversify plan investments

✓
- 5

Pay only reasonable plan expenses

✓

## Can Fiduciaries Reduce Liability?



## DOL Plan Audits + Fines <sup>2</sup>

<b>65%</b> OF AUDITED PLANS PAID FINES	<b>\$682.3 M</b> TOTAL FINES FROM AUDITS	<b>\$612,477</b> AVERAGE FINE PER PLAN
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## What’s in Your Fiduciary Vault?



Keeping proper documentation is a good way for plan sponsors and fiduciaries to show compliance with applicable laws and regulations. If the Department of Labor (DOL) or Internal Revenue Service (IRS) knocks on your door, the following are some of the documents that should be complete and on file:

- ✓

Plan Document and amendments
- ✓

Adoption agreement
- ✓

Summary plan description (SPD)
- ✓

Investment policy statement (IPS) (if applicable)
- ✓

Fee policy statement (if applicable)
- ✓

Education policy statement (EPS) (if applicable)
- ✓

Loan policy (if applicable)
- ✓

IRS determination or opinion letter (if applicable)
- ✓

Copies of Form 5500 and summary annual report (SAR)
- ✓

Required test results (ADP/ACP Tests)
- ✓

ERISA Fidelity bond
- ✓

Qualified domestic relations orders (QDROs) submitted to the plan
- ✓

Signed Service Provider Agreements
- ✓

All participant notices
- ✓

Summary of material modification (SMM)
- ✓

Individual benefit statement (IBS)



An organized fiduciary file is another way for your company’s plan committee to easily find, monitor, review and evaluate your offering and discuss possible changes that seek to improve retirement outcomes.



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[1] Department of Labor. “Meeting Your Fiduciary Responsibilities.” DOL.gov. Sept. 2017

[2] Department of Labor. “EBSA Restores Over \$1.1 Billion to Employee Benefit Plans, Participants and Beneficiaries.” EBSA Monetary Results. 2017

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