

USICG Fiduciary Checklist



An employer's guide to managing retirement plan fiduciary responsibilities

Retirement plan sponsors have a fiduciary responsibility to act in the best interests of plan participants and beneficiaries. To help fiduciaries fulfill this duty, USI Consulting Group (USICG) has developed the checklist below to mitigate fiduciary risk and help participants reach their retirement goals.

Plan Name: _____

Platform Provider: _____

Third Party Administrator: _____ Date Last Reviewed: _____

Documents: Place an X next to each of the documents you have on file for your organization's retirement plan.

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|--|--|---|---|
| <input type="checkbox"/> Plan document (including basic plan document, adoption agreement and all amendments), summary plan description (SPD) (including any summary of material modifications), qualified domestic relation order (QDRO) procedures and loan procedures (if applicable) | <input type="checkbox"/> Copies of Form 5500, including all schedules for the last six years | <input type="checkbox"/> Investment policy statement | <input type="checkbox"/> Written delegations detailing authorized plan sponsor representatives |
| <input type="checkbox"/> Plan's IRS opinion letter for a preapproved plan or IRS individual determination letter (if requested) | <input type="checkbox"/> Governmental filings and correspondence, routine or corrective (if any) | <input type="checkbox"/> Valuation report showing assets by fund and participant accounts by money type | <input type="checkbox"/> Copies of all required participant notices for the year – e.g., safe harbor, automatic enrollment, Qualified Default Investment Alternative (QDIA), fee disclosure, blackout notice or 204(h) notice |
| | <input type="checkbox"/> Accountant's audit report (if required) | <input type="checkbox"/> Investment report from provider and annual plan review report | |
| | <input type="checkbox"/> Summary Annual Report | <input type="checkbox"/> Plan/investment committee minutes | |
| | <input type="checkbox"/> Nondiscrimination testing, including the ADP/ACP tests (unless the plan has elected "safe harbor" provisions) and coverage, 401(a)(4), top-heavy and annual additions tests | <input type="checkbox"/> List of service providers including broker or RIA; plan auditor; mutual fund or other investment provider; and third party administrator (TPA) or consultant | |
| | <input type="checkbox"/> Fidelity (ERISA) bond | <input type="checkbox"/> Copies of service provider agreements | |
| | <input type="checkbox"/> Liability insurance covering ERISA fiduciaries | | |

Plan operations: Plan an X next to each item that you've reviewed.

1. Plan design & check-up

- Eligibility
- Entry dates
- Matching
- Vesting
- Loan and/or hardships
- Mandatory distributions and automatic rollovers
- Compensation
- ADP/ACP "Safe Harbor"
- Automatic enrollment

2. Plan health review

- Investment policy statement
- Asset classes covered
- Fund performance, investment risk taken, operating costs and management turnover
- Funds watch-listed or replaced

3. Plan investment utilization review

- Use of lifecycle or lifestyle funds
- Review and establish or confirm default investment for the plan
- Investment education meetings
- 404(c) compliance

4. Operations

- Timely deposit of plan contributions and loan repayments
- Enrollment and education meetings: Offered? Attended?
- Meetings with financial advisor, provider or TPA
- Timely distribution of all required participant notices

Fee disclosure for plans covered by ERISA including pension plans, 401(k) and 401(a) defined contribution plans and certain 403(b) plans: Place an X next to each item that you've reviewed.

1. Fee disclosure to the plan sponsor (may be referred to as a 408(b)(2) disclosure)

- Before entering into an arrangement or contract, the service provider furnishes a written document containing provider's fees, direct and indirect compensation and a description of services to be provided

2. Confirmation that services provided meet these conditions:

- Services must be necessary for establishment and operation of the plan
- No more than reasonable compensation is paid for the services
- Services must be provided pursuant to a reasonable arrangement

3. Fee disclosure to participants in participant-directed individual account plans subject to ERISA

- New participants in employee-directed plans must receive written disclosure of certain plan-level and investment-level information prior to making initial investment selections. They must receive annual updates to the investment information and changes to plan-level information must be disclosed to participants at least 30 days and not more than 90 days before the change becomes effective. Investment option fee and expense information must be available on a website and be updated as soon as reasonably possible following a change

Action items

How USICG Can Help

Being a fiduciary doesn't have to be complicated or overwhelming, but it does require prudence in managing the retirement plan. USICG has the expertise to help employers better understand their fiduciary responsibilities and mitigate risk. It's important to review the requirements for operating a retirement plan on an annual basis.

To learn more, please contact your USICG representative or reach out to us at information@usicg.com.

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