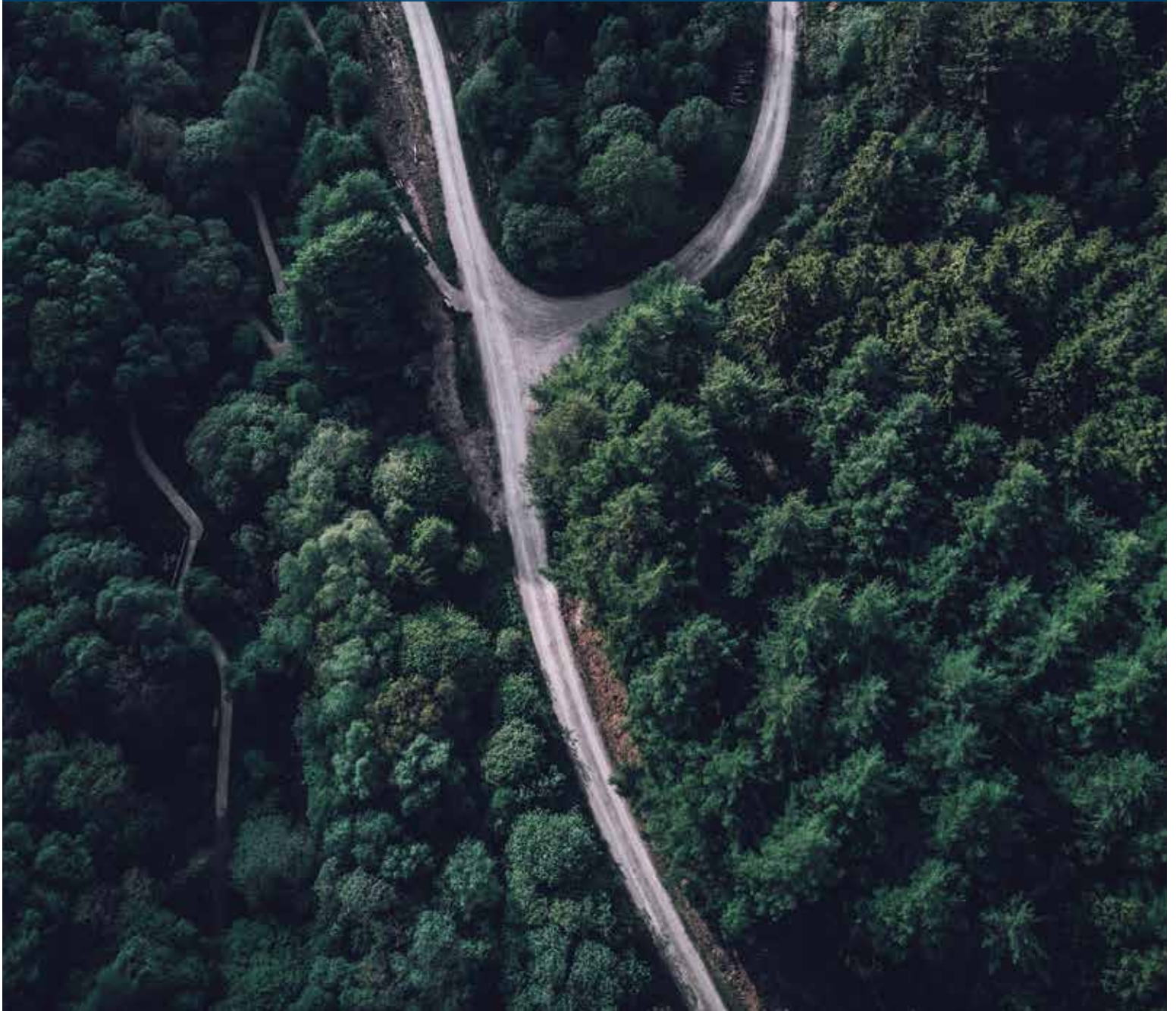




3(16) FIDUCIARY SERVICES

*We are equipped to take on
as much or as little as you need.*



3(16) FIDUCIARY SERVICES


Fiduciary Risk & Responsibility

ERISA-qualified retirement plans designate various roles and responsibilities, oftentimes performed by a variety of different individuals and organizations, which makes it challenging for the sponsor to decipher who is a plan fiduciary and who isn't.

And yet, plan sponsors bear the ultimate fiduciary responsibility for the plan and are therefore obligated to inform themselves about those responsibilities to ensure that they make decisions and act at all times on behalf of the plan participants.

The good news is that a significant portion of a retirement plan's fiduciary responsibility can be outsourced to professional designated third parties. And how much or how little of the responsibility that is outsourced is entirely up to the plan sponsor.

At TRG Fiduciary Services (TRGF), we offer one of the most flexible and comprehensive solutions available in the marketplace, which allows us to take on as much of the risk and responsibility of sponsoring a retirement plan as is allowed by ERISA.



To Retain or Outsource?

To determine if outsourcing some or all fiduciary responsibility makes sense, TRGF recommends plan sponsors consider the following questions:

- Do you have the knowledge and expertise to maintain compliance and effectively manage your retirement plan?
- Is your retirement plan effective at providing adequate benefits to your employees so they can retire with dignity?
- Would it be a more effective use of administrative/HR staff time to outsource the management and operational responsibilities of the plan to a team of professionals?

Is the Risk Real?

The following examples illustrate the risk liability that comes with being a plan sponsor:

- + Plan sponsor failed to follow the document with regards to employer contributions to a certain group of eligible employees who were entitled to the contribution – an IRS audit of the plan uncovered the operational defect, and the sponsor was forced to compensate the group in addition to paying significant penalties and interest.
- + COO of a mid-sized company approved a fraudulent in-service distribution in the name of an inactive co-owner. A total of \$130,000 was approved and distributed before the fraud was detected.
- + Plan sponsor failed to follow the automatic enrollment provisions as stipulated in the plan document, resulting in over \$60,000 of penalties and corrections.
- + Participants in plans of all sizes are successfully filing class-action lawsuits against plan sponsors who breached their fiduciary duties under the Employee Retirement Income Security Act (ERISA) by allowing excessive administrative and investment fees to be charged.

How Much Risk?

The various ERISA-established roles bear differing levels of risk and responsibilities. As a plan sponsor, it's important to understand the capacities in which you may act on behalf of the plan beneficiaries at any given time. The amount of fiduciary liability you incur as a plan sponsor depends on your role as defined by ERISA.

The plan sponsor, in the role as plan administrator, bears the responsibility of fulfilling the following fiduciary responsibilities:

- + ERISA Section 3(16) Plan Administrator as named in the plan document (3(16))
- + ERISA Section 404(a)(5) and 408(b)(2) fee disclosure compliance (3(16))
- + Approve and sign the annual Form 5500 (3(16))
- + Approve and sign all plan distributions, QDROs and loans (3(16))
- + Manage and oversee the plan's service providers including engaging the plan auditor as applicable (402(a))
- + Address service provider issues as they arise (402(a))
- + Preparation and presentation of Executive Summary Reports to the Oversight Committee (402(a))
- + Annual fee analysis and documentation including periodic market analysis of service provider fees (402(a))
- + Oversee the preparation and distribution of annual participant notices and disclosures (3(16) and 402(a))
- + Monitor contributions and plan transactions on a monthly basis (402(a))
- + Oversee periodic committee meetings (402(a))



The services provided by TRGF are structured to absorb as much of the ERISA 3(16) Plan Administrator and ERISA 402(a) Named Fiduciary risk away from the plan sponsor as is allowed by law. In addition, TRGF is available to assist with overall plan management and communication including:

- + Periodic conference calls and/or meetings with the plan committee and Board of Directors
- + Calls and/or meetings with the plan's various service providers



Stronger Through Stewardship

At TRGF, we hold ourselves to a higher bar of ethics and collaboration. In fact, we operate according to a specific Stewardship Standard, which ensures that we operate with prudent and ethical decision-making on behalf of our clients.

