

# Fiduciary Checklist

- Is the plan document updated for all the required legislative provisions?
- Do you have an IRS-approved plan document? Keep of copy of the “determination letter,” if available, with the plan document.
- Maintain a summary Plan Description (SPD), updated for all plan design changes, and distribute to all employees. ERISA requires that SPD’s, Summary of Material Modifications, and Summary Annual Reports are automatically disclosed to participants/beneficiaries.
- Verify that the plan covers the correct employees, or does not exclude employees who may be entitled to participate in the plan.
- Verify that the plan’s definition of eligible employee is consistent with the way the plan is administered.
- Determine who are the plan fiduciaries. Ensure they are aware of and understand their fiduciary responsibilities. May require assistance from an ERISA attorney.
- Check the plan documents and trust agreements to ensure that the plan fiduciaries have been appointed accordingly.
- Conduct an annual (or more frequently as needed) meeting with the retirement committee and plan fiduciaries. Record detailed minutes of these meetings including all decisions made by the committee.
- Review the process of collecting employee contributions and loan repayments, forwarding contributions and loan repayments to the provider, and investing the contributions and loan repayments in a timely manner.
- Review the definition of compensation as defined in the plan document, and verify that the correct compensation amounts are being sent to the service provider(s).
- Does the plan have a Fidelity Bond? A general rule of thumb for the amount is 10% of plan assets. Does the bond cover fiduciaries, as well as other employees?

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- Does the plan have a fiduciary? If so, does the fiduciary entity have a Fiduciary Bond that protects the fiduciary in cases involving misstatements, omissions, and errors on his part while conducting his duties?
- Maintain a broad, well diversified, investment lineup that covers the risk/return spectrum.
- Maintain a written investment policy.
- Conduct educational meetings, and provide general financial/investment information on the following topics:
  - Participating in the plan
  - Saving for retirement
  - Diversification
  - Asset allocation, including asset class characteristics and historical return differences
  - Dollar cost averaging
  - Advantages of tax deferral
  - Risk/return concepts
  - Impact of inflation
  - Compounding
- Review the fee structure to ensure employee understanding of all costs and services associated with those fees.

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- Review of the plan's investments at least quarterly, and in accordance with the requirements of the plan's written investment policy statement. Document the review along with the relevant investment options information, including discussions and decisions regarding the evaluation and replacement of poorly performing investment options and adherence to the asset class for which they were chosen.
- Provide ongoing communication on investments, etc. Communication and education efforts should be geared towards the demographics of the participants.
- Distribute information to all employees regarding the investment options under the plan.
- If the plan is intended to comply with ERISA 404(c), ensure that all requirements under this provision are being met. Ensure the Form 5500 indicates the intent to comply with the 404(c) requirements.
- Conduct an annual review of any outside experts that have been hired to assist the fiduciaries. Document the review/maintain minutes of the meetings, important discussion items, and decisions that are made.
- Document all procedures and decisions and maintain the documents in a central due diligence file.