Meeting Your Fiduciary Responsibilities – Defined Contribution Plans

GREENRIDGE
WEALTH PLANNING
PLAN GROW PRESERVE

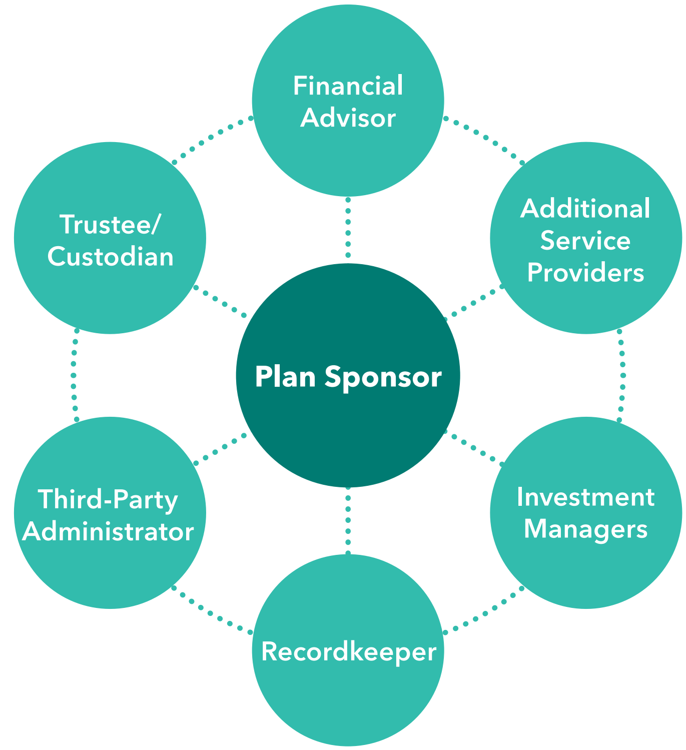
Help Meet Your Fiduciary Duties and Plan Goals by Monitoring and Holding Providers to the Highest Standards

How well your retirement plan operates – including who provides each service and how well they serve in that role – matters. After all, your participants may depend on it to ultimately meet their long-term financial objectives.

As the plan sponsor, you are generally responsible for selecting these service providers, which is a fiduciary function. For this reason, selecting and monitoring service providers is one of a plan sponsor's most important responsibilities.

To help, we've identified common service providers and some of their responsibilities (to the right and below) as well as a list of areas of review (on the second page) that you may want to consider when fulfilling your fiduciary responsibilities.

Note: The list below provides details regarding some of the responsibilities of common service providers. Some service providers may have different responsibilities than what is described.



The Plan Sponsor (typically the employer), when acting as a fiduciary, is responsible for ensuring the plan is operated solely in the best interest of participants.

The Financial Advisor works with the plan sponsor to select and monitor the plan's investments as well as provide employee-related services, such as enrollment and ongoing education. The advisor may act in a nondiscretionary 3(21) or a discretionary 3(38) role.

Additional Service Providers, depending on the plan, could offer the plan a variety of specialized or supplemental services, such as a fiduciary service company, accountant, auditor or attorney.

Investment Managers select and monitor each fund's underlying securities.

The Recordkeeper maintains and tracks participant accounts, produces quarterly statements, and provides web and phone access to those accounts.

The Third-Party Administrator (TPA) assists the plan sponsor with plan document design, conducts compliance testing and prepares Form 5500. For "bundled" plans, the recordkeeper also serves in this role, but for "unbundled" plans, the TPA is a separate firm.

The Trustee/Custodian holds the plan assets, receives contributions and makes disbursements from the plan at the direction of a plan fiduciary (typically the plan sponsor). A trustee may also be hired to assume a broader role, with discretionary authority, to manage and control the assets of the plan. Frequently, the recordkeeper serves in this role.

The following list includes areas of review that plan fiduciaries may want to consider when fulfilling their fiduciary responsibilities. This list is only a guide, not an exhaustive list, and some items may not apply. We encourage you to consult with your ERISA attorney, service providers, and/or advisor for additional guidance and information.

Fiduciaries

- Have the fiduciaries involved in your plan been identified and the scope of their responsibilities defined?
- Do new fiduciaries receive fiduciary education as well as continuing education for all fiduciaries?
- Are meetings with the retirement committee and/or plan fiduciaries conducted periodically, including writing and preserving accurate meeting minutes and documenting decisions?

Service Providers

- Have the service providers involved in your plan been identified?
- Are service providers periodically reviewed to ensure that service and performance standards are being met and fees are reasonable?

Administration and Compliance

- Have plan documents been reviewed to ensure that they have been updated for all required legislative provisions?
- Is the summary plan description (SPD) up to date, and has it been distributed to all employees?
- Does the plan's fidelity bond provide for proper coverage?
- Has all government reporting, such as Forms 5500 and 1099-R, been completed and filed?
- Has the required participant fee disclosure notice been distributed?
- If the plan has an automatic enrollment arrangement, is a safe harbor plan or has a qualified default investment alternative (QDIA), have annual notices been provided to participants?
- Have required benefit statements been provided to plan participants and beneficiaries?

Investments

- Has a written investment policy statement been established, maintained and followed?
- Are investments periodically reviewed for diversification, performance and fees?
- If the plan is intended to comply with ERISA section 404(c), has the investment lineup been reviewed to ensure it complies with the required guidelines?

Education

- Have employee/participant education and related materials been developed and provided?
- Are employee/participant education materials maintained and reviewed periodically?
- Have methods to analyze the effectiveness of participant education and related materials been developed?

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Lit. No. RPGEFL-354-0118P Printed in USA CGD/AFD/10233-S64312