

## **Installing a Plan is a Team Effort – Don't Do It Alone**

Employers that choose to offer a tax qualified retirement plan for their employees rely on TPAs, such as Pension Plan Consultants (PPC), to help them comply with the IRS's and the DOL's rules and regulations. The consequences for employers that intentionally or unintentionally operating a tax qualified retirement plan incorrectly are severe and could include heavy civil or criminal penalties.

To function properly, a plan requires a team that works together. This team includes the employer (plan sponsor), a financial professional, a TPA, and the eligible employees (plan participants). Employers typically offer it as a benefit to help recruit and retain employees. The employer may choose to match a portion of the employee contribution as an incentive to encourage employee participation, or might deposit money from the company's profits into each eligible employee's account.

Depending on what Financial Platform you decide to place your plan with you need to know WHO IS WHO that assist you with the administration of the plan:

**Financial Professional** will help determine a plan's asset providers (investment choices) and educate the employees on the importance of retirement savings and diversifying investments. They work with the TPA to consistently review how to utilize the plan to meet the goals of the plan sponsor and the participants.

The **TPA** (PPC) may assist the plan sponsor with plan design, plan documentation, and ongoing plan administration to help ensure it is in compliance with the ever evolving IRS and DOL rules. In addition to helping ensure a plan's compliance, PPC provides consultation and teaches plan sponsors how to operate a plan properly.

**Plan Sponsor** is the Employer or organization that establishes the plan.

**Plan Administrator** is the person responsible for the administration of the plan, like making important disclosures to plan participants and selecting the plan's service provider. Generally, the plan sponsor will serve in this capacity, unless another party is designated to do so in the plan document.

**Plan Trustee** is the person or entity that has exclusive authority and discretion over the management and control of plan assets, unless the plan provides that the trustee is subject to the direction of a named fiduciary, or the authority to manage plan assets has been delegated to an investment manager.

**Recordkeeper** is the provider that tracks the flow of money going in and out of the plan, and tracks participant account balances.

**Custodian** in some situations like the evolving open architecture designs the custodian can be different than the recordkeeper. But generally speaking is a financial firm that is engaged to ensure that your retirement funds are kept separate from and are protected from the employer and your employer's creditors. Custodians also handle any necessary paperwork and tax reporting that your retirement plan generates.