



HEY PLAN SPONSOR..... IN CASE YOU DIDN'T KNOW, YOU'RE A FIDUCIARY!

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There's been some great articles published recently about the "lack of fiduciary awareness" among Plan Sponsors. Since this topic is so near and dear to my heart, I figured I'd jump on the bandwagon and share my own thoughts on the subject.

I'm not going to start with statistics here. It wouldn't be right of me to quote percentages of plan sponsors who don't realize they are fiduciaries. I didn't do the research and I have no intention of taking credit for someone else's work. On the contrary, I greatly appreciate those that have. I've posted just about every article I've seen on the topic because it's extremely important. It's a point that must be made (hence why I'm jumping on the wagon)!

I view this “lack of fiduciary awareness” as an epidemic. I’ve spent countless hours trying to wrap my head around it, trying to understand why Plan Sponsors don’t see themselves as fiduciaries. I consider it a disconnect, which I think everyone’s guilty of in one way or another. A kind of denial. A “that would never happen to me” sort of mindset. That’s the only way it makes sense to me. I guess there can be some unique situations where Plan Sponsors have been given indemnification agreements from their employers, but honestly, I wonder if those agreements would even hold up. I welcome comments on the issue. Nevertheless, I still believe those are rare instances anyway.

Another issue that concerns me is all the rhetoric out there about the DOL Fiduciary Rule. At the end of the day, I think it leaves Plan Sponsors (and everyone else, including me) confused. Long story short, parts of the Rule have been implemented, others parts have not, and the bottom line is that the ones being really hurt are Plan Sponsors, Employers and Participants. Especially Plan Sponsors who now have even more responsibilities under the Rule. So think about this ... if a Plan Sponsor isn’t even aware that they are, in fact, a fiduciary, what are the chances that they’re doing everything they’re supposed to be doing? Think of all the 401(k) lawsuits out there. Think about why they’re really happening. Most of what’s written talks about this one being sued for high fees, or that one being sued for failure to monitor investments, etc. But guess what? It all falls under one specific problem - breach of fiduciary duty - or even more simply stated - failing to perform your fiduciary responsibility - that’s it - that’s always it.

I mean no disrespect to anyone, truly I don’t. As a matter of fact, I’m the first one to say you catch more flies with honey, but sometimes, you gotta get right to the point. And I think we’ve finally reached the summit on the fiduciary mountain. So here it goes ... hey there Plan Sponsor, in case you didn’t know, you’re a Fiduciary!

So now that we’ve established that Plan Sponsors are fiduciaries, you’ve got a lot of responsibilities. You don’t have take my word for it either, google it! There are lists on top of

lists out there about what you're supposed to be doing. Both the DOL and IRS websites have great information (the IRS website has been revised too, so it reads a lot better than before). I will also take this opportunity as well to make a shameless plug and encourage you to attend one of our future educational sessions. We provide regularly scheduled webinars and luncheons and they're always free. Please consider joining us. We're already putting together our calendar of events for next year so stay tuned. You can message me on LinkedIn or email me anytime to see what's on the schedule.

As I've mentioned in past articles, and will do so again here, my only goal is to help. Not only help Plan Sponsors understand their responsibilities, but to encourage Plan Sponsors to seek help as well. Reach out to your providers, make them work for you. That's what they get paid for. But of course, if you find that you're not getting the service or support you deserve, or you're not getting the answers you seek, that's when you can decide who you'd like to call next.

Priority Pension Services, Inc. (AFI) is a full-service employee benefits consulting, actuarial and third-party administration (TPA) firm. We would be pleased to help in any way we can. Feel free to contact me at 516-584-2755 or ginam@ppsafi.com with any questions or to schedule a free consultation. Warmest Wishes to All for a Joyful Holiday Season and A Happy & Healthy & New Year!



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