

YOU ARE REQUIRED TO SECURE AN ERISA BOND

YOU WOULD BENEFIT FROM REVIEWING THE COVERAGE OF YOUR PLAN

Get Started Right Away

RECENT SUCCESS

You might not know it but we at VLR ADMINISTRATORS look at every opportunity to use our expertise to assist in the maintaining your Plans compliance. As a side bar we present this key component of compliance the “Fidelity Bond.”

To maintain a more perfect Plan for Retirement Savings it is important to get it right the first time. We want you to know we are there to make sure you meet those expectations.



Contact our Plan Sponsor Service Team to secure assistance with Bond Coverage for your Plan-

www.vlradministrators.us
Plansponsor@vlradministrators.us

Many Plan Sponsors are not aware that regular business insurance does not replace the ERISA BOND requirements. The only benefit to your current insurance is if they would provide a rider that is specifically leveled to the coverage requirements. ERISA section 412 and related regulations (29 C.F.R. § 2550.412-1 and 29 C.F.R. Part 2580) mandates qualified plans be covered by a fidelity bond. Every administrator, officer, and employee of any plan who handles funds or other property of a plan must be bonded. The bond protects the plan against loss “by reason of acts of fraud or dishonesty” on the part of an administrator, officer, or employee. The minimum bond coverage requirement must be at least 10% of plan assets as of the beginning of the plan year plus the anticipated contributions for the plan year or \$1,000.00, whichever is greater. The maximum bond required is generally \$500,000, however \$1,000,000.00 for plan officials that hold employer securities

Smart thinking is about making sure you have the required coverage that provides peace of mind in performing your Fiduciary Duties-

Think again!

Q: What losses must an ERISA bond cover?

A: The Coverage must protect the plan against loss for any act of fraud or dishonesty by access persons; directly, indirectly or through conveyance to others under direction.

Q: Who is responsible for securing ERISA bond coverage for the Plan?

A: The responsibility to provide coverage fall upon named Trustee of the Plan. It is unlawful for a plan Trustee to permit any other plan official to receive, handle, disburse, or otherwise exercise custody or control over plan funds or other property without first being properly bonded.

“The cost of not being covered has significant penalties and possible plan audits that are costly and could ultimately disqualify your plan.”

– We complete what we start_
