

# GET (K)ONNECTED 403(B) PLAN NEWSLETTER



## A GOOD PROCESS IS YOUR BEST LINE OF DEFENSE

There is a right way and a wrong way to administer your company's 403(b) or ERISA 403(b) plan. If you are the person responsible for your company's plan, you are likely a plan fiduciary and it's in your personal best interest to make sure you are doing it the right way. One of the key responsibilities of a plan sponsor is to ensure that the plan's investment menu is appropriate and designed with the exclusive purpose of facilitating the participant's accumulation of retirement savings. How can you make sure that your investment menu makes the grade?

First, form a Plan Administrative Committee consistent with your corporate governance procedures. The committee membership is likely to be made up of officers of the company and should include any person that regularly makes decisions about the plan. Because there is liability associated with making

administrative decisions, be sure that each committee member is properly insured.

Second, the Committee will need to adopt an Investment Policy Statement (IPS). You may not realize it but an IPS is actually a required plan document. If you don't have one, get one now. Your IPS will be the committee's governing document, outlining the composition of your investment menu and explaining

the criteria used by your committee to evaluate the plan's investment menu and choose alternative investment options when necessary.

Third, your committee will need to meet regularly to review your investment menu. If any fund no longer meets the criteria established in your IPS, it will need to be placed on a "Watch List" and ultimately removed if it continues

to under-perform. Be sure to maintain good records of each meeting and forward on any instructions to your plan record keeper so that they can effect any necessary changes to your investment menu.

If this sounds complicated, or you lack the expertise to evaluate your investment menu, consider engaging an investment adviser to help you fulfill this important duty.

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TO DEMONSTRATE  
THAT YOUR COMPANY  
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DILIGENCE

Doing this right is important not only because it helps to ensure that your employees have the best chance possible to accumulate sufficient savings for retirement, but following a good, well-documented process is also your first line of defense. As the person ultimately responsible for other people's savings, it is important that you can demonstrate that your company acted with care, skill, and diligence.

**IF THIS SOUNDS TOO COMPLICATED, DON'T WORRY.**

If you sponsor your own plan or are considering starting a plan, becoming an adopting employer of our multiple employer plan may make a lot more sense. As the plan sponsor, we are ultimately responsible for the plan's investment menu. Using the framework established in the IPS, available investment options are screened using a matrix of analytics including the fund's historical performance, style drift and consistency, alpha, Sharpe Ratio, assets under management, longevity, and operating expense. Using the same exhaustive criteria used for selection, the investment menu is monitored on a quarterly basis to assess continued appropriateness and suitability for the plan.

**With this process in place, you can be confident that the investment menu will provide your employees with the best opportunity to prepare for retirement - without you lifting a finger.**

**If you would like more information about joining a pooled employer plan, contact us today!** We will arrange a plan consultation with a retirement specialist to help you determine if joining a pooled employer plan is the right move for your company.

Name of the Company: \_\_\_\_\_

Form of Entity (check one):

Corporation	S Corporation	Non-Profit/Tax-Exempt	Sole Proprietorship
LLC	LLP	Partnership	Other

Business Product or Service: \_\_\_\_\_

Company Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Company Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Company Contact: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

Alternative Contact: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

**Return this form to:**

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