

Act in participants' interests by 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 the plan as they pursue their long-term financial objectives.

As the plan sponsor, **you are generally responsible for selecting the service providers for your plan**, which is a fiduciary function. Plan sponsors must also monitor service providers and other fiduciaries to ensure they are acting prudently and performing as expected.

The process of selecting service providers will vary depending on the plan and services to be provided. To help, we've **identified common service providers** and **outlined a list of questions** that may help you fulfill your fiduciary responsibilities.

Keep in mind that provider selection is only one of several important fiduciary duties, including the duty to select and monitor investments for the plan. You may want to consult additional resources to ensure you meet all of your responsibilities.

Working together to meet plan goals



- **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 professional** 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 financial professional may act in a nondiscretionary 3(21) or a discretionary 3(38) role.
- **Additional service providers** may offer a variety of specialized or supplemental services, such as managed accounts or independent third-party fiduciary services.
- **The recordkeeper** tracks and maintains participant contributions, provides account access over the web and phone, and produces quarterly statements.
- **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, typically at the direction of a plan fiduciary (usually the plan sponsor). The recordkeeper often offers custodial services.

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

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Questions to consider

Plan sponsors may find the following questions helpful in fulfilling their responsibilities:



Plan sponsor

- Have the service providers and all fiduciaries involved in your plan been identified, and the scope of their responsibilities defined?
- When new providers are selected, are multiple providers considered and the selection process documented?
- Are service providers periodically reviewed to ensure that service and performance standards are being met and fees are reasonable?
- Is fiduciary education provided to new fiduciaries and on a continuing basis?



Financial professional

- Does the financial professional act in a discretionary or nondiscretionary role?
- Do they assist you with periodically reviewing investments for diversification, performance and fees?
- Do they provide employee education as necessary and assist with plan enrollment activities?
- Has a written investment policy statement been established, maintained and followed?
- 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?



Third-party administrator

- Has the TPA reviewed and updated plan documents for all required legislative provisions?
- Has all government reporting, such as Form 5500, been completed and filed?
- Does the TPA assist with preparing and/or distributing required notices, such as the plan fee disclosure document, auto-enrollment and/or safe harbor notices?
- Is the summary plan description (SPD) up to date, and has it been distributed to all employees?



Recordkeeper

- Has the recordkeeper provided required benefit statements to plan participants and beneficiaries?
- Does the recordkeeper also provide plan administration and/or trustee or custodial services?
- Does the recordkeeper provide the services and features that are necessary to support the plan design and features?



Trustee/custodian

- Does the trustee/custodian assist with monitoring the timeliness of employee contributions?
- Does the trustee/custodian provide certified trust information?

Note: This list is only a guide, not an exhaustive list, and some items may not apply. It does not cover all fiduciary duties, including the responsibility to select and monitor investments. We encourage you to consult with your ERISA attorney, service providers, and/or financial professional for additional guidance and information.

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