

Retirement Plan Fiduciary **Risk Assessment**



Managing all that is required to run an effective and compliant employer-sponsored retirement plan demands a thorough understanding of governing rules and regulations and a commitment to established processes and procedures.

Recognizing that many retirement plan fiduciaries do not have a clear understanding of how well their retirement plan governance and oversight program stacks up against industry best practice standards, Schneider Downs Retirement Solutions has developed what we refer to as a Fiduciary Risk Assessment. Our Assessment results in a contrast of the Global Fiduciary Practices for Investment Stewards published by the Center for Fiduciary Studies against a plan's established policies and procedures. Based on the results of our analyses, as well as discussions with plan fiduciaries and third-party service providers, our final report connotes the degree of conformity to each practice criteria. Where there is non-conformity, or an opportunity for improvement, our report will outline recommendations on what changes might be made to further align the plan with industry best practice standards.

The application of our Fiduciary Risk Assessment is a valuable tool to assist plan fiduciaries in mitigating liability resulting from steadily increasing complaints and/or lawsuits alleging fiduciary misconduct.

The key benefits associated with applying the prudent practices outlined in our Fiduciary Risk Assessment include:

- 1. Risk management:** Most investment litigation involves the alleged omission of certain fiduciary practices and/or prudent investment procedures, as opposed to the commission of certain acts. Our Fiduciary Assessment incorporates a "checklist" process to help investment stewards ensure that investment decisions are prudently managed.
- 2. Fulfillment of fiduciary responsibilities:** Our Fiduciary Assessment was developed to enable our firm partners to demonstrate fiduciary skills, knowledge, and investment awareness, as well as a fundamental understanding of the law to effectively delegate and share responsibility with other fiduciaries while providing effective oversight to serve their plan(s).
- 3. Increased efficiency and effectiveness:** A plan fiduciary is expected to apply the skill, knowledge, diligence and good judgment of a professional. Our Fiduciary Assessment provides a consistent framework to help plan fiduciaries not only achieve regulatory compliance, but adopt best practice standards for sound plan oversight. By implementing a comprehensive process to fulfill fiduciary obligations, a plan fiduciary can establish a regimented oversight model that is specifically designed to serve the best interests of its participants and beneficiaries.

Not sure whether you are a good candidate for a Fiduciary Risk Assessment? We welcome you to take a complimentary [Fiduciary Risk Assessment Quiz](#) online, which touches on many of the topics that are covered under our comprehensive Fiduciary Risk Assessment and provides immediate feedback regarding your current governance and oversight processes and procedures. The reverse side of this document lists the questions from our online Fiduciary Risk Assessment quiz.

Fiduciary Risk Assessment Quiz

Managing all that is required to run an effective and compliant employer-sponsored retirement plan takes a thorough understanding of what is required and a commitment to getting it done right.

As an employer, you can take steps to help ensure your plan is successful. Answer the following questions to see how well you are fulfilling your responsibilities as a plan sponsor.



Do you have your plan's goals and objectives formally documented?

Do you have a formal Investment Policy Statement, and is it referenced during plan reviews?

Do you formally review your plan investments against appropriate benchmarks and peers at least annually?

Have you put in place a process to comply with fee disclosure requirements?

Do you know what your plan's expenses are, and can you support via documentation that they are reasonable?

Do you know how the provisions (matching rates, etc.) in your plan compare to industry averages?

Have you checked with your employees to see how well they understand the plan features and what information they need to make better investment decisions?

Do you measure the effectiveness of your participant education program within the context of your plan demographics?

Do you have a definable, measurable, and repeatable process in place to monitor all aspects of your plan?

Do you document the minutes of your retirement plan committee meetings?

Do you know who is considered a fiduciary to your retirement plan?

Do you have a documented governance structure in place for plan oversight?

Do you understand your roles and responsibilities as a Fiduciary under the Prudent Expert Standard under the Employees Retirement Income Security Act of 1974, as amended (ERISA)?

Are your plan fiduciaries receiving fiduciary education (e.g. regulatory updates, case law review, etc.) at least annually?