

Quarterly Fiduciary Checklist



LOCKTON RETIREMENT SERVICES



Quarterly Fiduciary Checklist

This checklist sets an agenda for quarterly retirement committee meetings and helps document plan topics that should be addressed at least annually. Each quarter's focus subject is intended to be a primary topic discussion for the committee, though other matters will also be discussed. The checklist may be edited to meet the needs of individual clients.



Document



Analyze

- **Committee Charter**
 - Are the actions of the committee consistent with governance provisions?
 - Are the committee membership and process descriptions current?
 - Are the scope and range of the committee role descriptions current?

- **Committee Meeting Minutes**
 - Are the meeting minutes of the committee approved and retained?
 - Has fiduciary training been conducted?

- **Plan Document**
 - Do plan document provisions and board resolutions address authority?
- **Board Resolutions**

- **Third-party Service Agreements**
 - Do third-party agreements include language surrounding discretionary vs. non-discretionary authority/responsibility?

- **Fidelity Bond**
 - Are all those who handle plan assets bonded?
 - Does Fidelity bond meet requirements (i.e., 10% of plan assets, not to exceed \$500,000)?

- **Fiduciary Insurance Policy Indemnifications of Fiduciaries**
 - Is current fiduciary insurance policy in place?
 - Is the policy amount appropriate for plan changes?
 - Does the policy identify the correct plans and parties?
 - Does the policy include appropriate fiduciary indemnifications?
 - Who pays for the fiduciary insurance?

Resources

- Sample Fiduciary Training Brain Shark
- Sample Fiduciary Acceptance and Acknowledgement Form
- Sample Charter
- Sample Fidelity Bond Checklist
- Sample Fiduciary Insurance Evaluation



Document



Analyze

- | | |
|--|---|
| <ul style="list-style-type: none">▪ Service Provider Agreements | <ul style="list-style-type: none"><input type="checkbox"/> Are lists of services in provider agreements current?<input type="checkbox"/> Are service providers meeting expectations?<input type="checkbox"/> Has the committee reviewed the appropriateness of service provider's float retention policies?<input type="checkbox"/> What were the dates of the last RFPs for each service provider?<input type="checkbox"/> Are dates identified for future RFPs for each service provider? |
| <ul style="list-style-type: none">▪ Service Provider Fee Disclosures▪ Service Provider Fee Change Notice▪ Participant Fee Disclosure▪ Participant Comparative Chart | <ul style="list-style-type: none"><input type="checkbox"/> If any service provider changed fees, was a change notice received? ("Service providers" receive at least \$1,000 for services provided to a plan.)<input type="checkbox"/> How does the plan capture and use excess revenue from plan investments?<input type="checkbox"/> Has an annual fee benchmarking exercise been conducted?<input type="checkbox"/> Are plan-paid fees reasonable?<input type="checkbox"/> If current fees do not pass a benchmarking exercise, has committee addressed receiving more services, or requesting a fee decrease and/or a share-class change? |
| <ul style="list-style-type: none">▪ Quarterly Benefit Statements | <ul style="list-style-type: none"><input type="checkbox"/> Do quarterly benefit statements include information required by 404(a)(5)? |
| <ul style="list-style-type: none">▪ Schedule C from Form 5500 | <ul style="list-style-type: none"><input type="checkbox"/> Were service providers reported on Schedule C? |

Resources

- Lockton RFP
- Fiduciary Benchmarks
- 408(b)(2) Checklist
- 404(a)(5) Checklist



Document



Analyze

- **Investment Policy Statement (IPS)**
 - Is the date of the Investment Policy Statement more than three years ago? If so, revisit.
- **Plan Document**
 - Are the investment criteria and objectives current and appropriate?
- **Summary Plan Description**
 - Are the investments, benchmarks, and investment types current and appropriate?
 - Is the menu (number of investments, asset classes, and style [active vs. passive]) appropriate for participant population?
 - Is the investment performance meeting criteria outlined in the IPS?
 - Are the retention and removal policies in the Investment Policy Statement current and appropriate?
 - Does the QDIA still meet the requirements of 404(c)?
 - Is the investment option(s) for forfeitures and unallocated accounts current and appropriate?

Resources

- Target Date Selection Tool
- Model Investment Policy Statement



Document



Analyze

Form 5500 Auditor's Opinion

- Were contributions and deposits to participant accounts made timely?
- Has the statement of activity in trust/custodial account been reviewed?
- Was the annual Form 5500 and audit filed timely?

Plan Document

Recordkeeper's Service Agreement

- Does the plan have a calendar tracking timely delivery of the following disclosures (if applicable):
 - QDIA Notice
 - Safe Harbor Notice
 - Automatic Enrollment Notice
 - Participant Fee Disclosure
 - Vendor Website Updates
 - Summary Plan Description
 - Summary of Material Modification
 - Summary Annual Report
 - Distribution Notice (402(f))
 - Quarterly Participant Statements
- Were applicable fund and fee change notices sent to participants?
- Are plan procedures up-to-date for the following:
 - Loans
 - QDROs
 - Hardships
 - Document Retention
 - Timely Contributions and Deposits
 - Rollover Acceptance
 - Eligibility
 - Cash outs
- Are ERISA Section 404(c) compliance procedures and responsibilities in place?
- Are annual contribution and compensation limit controls effective?
- Did annual testing (if applicable) pass for the following:
 - ADP
 - ACP
 - Top Heavy
 - Coverage
 - General Nondiscrimination
 - Compensation
- Are any plan amendments required?
- Are plan design changes suggested?

Resources

- Plan Limits
- Fiduciary Risk Matrix—DB
- Fiduciary Risk Matrix—DC
- Missing Participant Checklist
- Compliance Calendar
- QDRO Resource Package
- Document Retention Guide

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