

IFS | Fiduciary Insights Update

Retirement Plan Monthly Newsletter

CONTACT INFORMATION

Institutional Fiduciary
Solutions

727-567-2375

IFSInstitutionalFiduciarySolutions
@RaymondJames.com

March, 2019

Welcome to Fiduciary Insights, the monthly newsletter that keeps you in touch with issues, trends, events, and insights of significance to individuals connected with the retirement plan industry. The articles have been carefully selected from a variety of high quality sources.

GENERAL ITEMS

- Four Major Challenges for 401k Plan Providers Now
- Will 401k Plan Sponsors Fall for These Over-Hyped Topics?
- 403b Plan Sponsors Continue to Improve Investment Oversight
- How Retirement Readiness Varies by Gender and Family Status

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

- Important Tasks That Many 401k Plan Fiduciaries Ignore
- Boosting the Effectiveness of Retirement Plan Communications
- Five Steps 401k Plan Sponsors Should Resolve to Take in 2019
- Strategies to Manage Retirement Plan Loans

INSIGHTS: STUDIES, RESEARCH AND WHITE PAPERS

- Plan Enhancements Drive Record Retirement Savings Rates
- Fees Remain the Focus for DC Plan Sponsors
- Retirement Savings: Priorities, Strategies, and Barriers
- LIMRA Expects Greater DC Plan Access to Annuities By 2020

COMPLIANCE AND REGULATORY RELATED

- 401k Contribution Deadlines -- You Don't Want to Miss Them
- Federal Courts Still Parsing Prudent Plan Administration
- To Err Is Human; to Forgive Is Only a Correction Program Away
- Changes in Technology, Regulation and Accessibility Drive Rise in Use of Collective Investment Trusts

GENERAL ITEMS

FOUR MAJOR CHALLENGES FOR 401K PLAN PROVIDERS NOW

Every year presents new challenges for retirement plan sponsors and advisors. Here are just a few items to watch, as well as suggestions to stay ahead of the curve. Source: 401kspecialistmag.com

Full Article Available Here --->> <https://401kspecialistmag.com/4-major-challenges-for-401k-plan-providers-now/>

WILL 401K PLAN SPONSORS FALL FOR THESE OVER-HYPED TOPICS?

You've probably read dozens of stories on these topics. Or maybe just the headlines. Either way, you've seen these words and phrases ad nauseum over the past year or so. In fact, they've been repeated so often, it's easy to understand how they may now be treated as solid axioms rather than merely loose conjecture. Yet, it's well within the purview of one's fiduciary duty to ask if there's steak beneath that sizzle. Here are five over-hyped topics that represent prime candidates to deliver less than expected. Source: Fiduciarynews.com

Full Article Available Here --->> <http://fiduciarynews.com/2019/01/will-401k-plan-sponsors-fall-for-these-over-hyped-topics/>

403B PLAN SPONSORS CONTINUE TO IMPROVE INVESTMENT OVERSIGHT

Even among 403b plans not governed by ERISA, PLANSPONSOR DC Survey results show that in 2016, 54.3% of plan sponsors reported they have an investment committee for their plans; this jumped to 67.3% in 2017 and 67% in 2018. Source: Planadviser.com

Full Article Available Here --->> <https://www.planadviser.com/403b-plan-sponsors-continue-improve-investment-oversight/>

HOW RETIREMENT READINESS VARIES BY GENDER AND FAMILY STATUS

Measuring retirement security is an extremely important topic. In recent years, there has been an increasing emphasis on the retirement income adequacy of widows and single women. This Issue Brief classifies households by the following gender and marital statuses: single female, widow, single male, and widower. Key findings are reviewed. Source: Ebri.org

Full Article Available Here --->> <https://www.ebri.org/publications/research-publications/issue-briefs/content/how-retirement-readiness-varies-by-gender-and-family-status-a-retirement-savings-shortfall-assessment-of-gen-xers>

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

IMPORTANT TASKS THAT MANY 401K PLAN FIDUCIARIES IGNORE

There are just too many tasks that 401k plan sponsors don't complete, and which puts them in harm's way. This article is about the tasks that plan sponsors should complete, but many don't. Source: Jdsupra.com

Full Article Available Here --->> <https://www.jdsupra.com/legalnews/important-tasks-that-many-401k-plan-sp-14941/>

BOOSTING THE EFFECTIVENESS OF RETIREMENT PLAN COMMUNICATIONS

Words have the potential to inform, encourage and empower. But the wrong words can be powerful in negative ways, leaving people uncomfortable, overwhelmed or confused. Using the right words is especially critical in financial matters. Cutting back on jargon and delivering communications where participants want them can help put employees on the right track. Source: Empower-retirement.com

Full Article Available Here --->> <https://docs.empower-retirement.com/Empower/institute/Effective-Communication.pdf>

FIVE STEPS 401K PLAN SPONSORS SHOULD RESOLVE TO TAKE IN 2019

A new world of fiduciary is upon us. What does this mean for 401k plan sponsors and the financial professionals that serve them? How should this new fiduciary atmosphere change their focus? In many ways, 401k plan sponsors might be surprised to discover the path has never been clearer. In fact, the journey can be described in these five easy steps. Source: Fiduciarynews.com

Full Article Available Here --->> <http://fiduciarynews.com/2019/01/a-fiduciary-focus-5-steps-401k-plan-sponsors-should-resolve-to-take-in-2019/>

STRATEGIES TO MANAGE RETIREMENT PLAN LOANS

While the retirement plan industry is primarily focused on helping participants invest more money, it is equally important to prevent them from taking out loans or hardship withdrawals. A well-crafted loan policy statement can help plan sponsors take control of leakage and excess early withdrawals, and, like any stated compliance policy, what is written must be followed. Source: Planadviser.com

Full Article Available Here --->> <https://www.planadviser.com/exclusives/strategies-manage-retirement-plan-loans/>

INSIGHTS: STUDIES, RESEARCH AND WHITE PAPERS

PLAN ENHANCEMENTS DRIVE RECORD RETIREMENT SAVINGS RATES

Research from the Plan Sponsor of America finds that employers are making significant plan design enhancements that are likely driving the record contribution rates. The increases in retirement contributions from both plan participants and plan sponsors confirm the positive impact of company-sponsored retirement savings plans. The survey also finds that a larger percentage of eligible employees are participating in their plan. The percentage of eligible employees with an account balance has increased by more than six percentage points in the last 10 years. Source: Psca.org

Full Article Available Here --->> https://www.pasca.org/PR_2019_61st_1

FEES REMAIN THE FOCUS FOR DC PLAN SPONSORS

Defined contribution plan sponsors are continuing their intense scrutiny of fees, according to Callan's 2019 Defined Contribution Trends Survey, while also adding participant communication and financial wellness as top priorities for this year. Source: Callan.com

Full Article Available Here --->> <https://www.callan.com/2019-dc-survey/>

RETIREMENT SAVINGS: PRIORITIES, STRATEGIES, AND BARRIERS

Building ample retirement savings might be giving way to more immediate financial demands for many moderate-income working adults in their 40s and 50s, causing planning for the long-term to slip down the list of priorities. Source: Aarp.org

Full Article Available Here --->> <https://www.aarp.org/research/topics/economics/info-2019/aarp-ad-council-saving-for-retirement-campaign.html>

LIMRA EXPECTS GREATER DC PLAN ACCESS TO ANNUITIES BY 2020

Abstract: LIMRA anticipates equity markets will slow modestly this year, while interest rates will continue to rise; the organization expects these conditions to promote growth in annuity purchases by long-term investors. Source: Planadviser.com

Full Article Available Here --->> <https://www.planadviser.com/limra-expects-greater-dc-plan-access-2020/>

COMPLIANCE AND REGULATORY RELATED

401K CONTRIBUTION DEADLINES -- YOU DON'T WANT TO MISS THEM

This is a summary of the deposit deadlines applicable to all 401k plan contributions, including how to correct late contributions. If you're a 401k fiduciary, you can use this information to understand your plan's contribution deadlines and what you need to do in case you miss one. Source: EmployeeFiduciary.com

Full Article Available Here --->> <https://www.employeefiduciary.com/blog/401k-contribution-deadlines-you-dont-want-to-miss>

FEDERAL COURTS STILL PARSING PRUDENT PLAN ADMINISTRATION

Attorneys with Mayer Brown say there has been little consensus or direction from the federal courts (at least so far) as to what exactly constitutes prudent administration of tax-qualified benefit plans; this will remain a challenge in 2019 and beyond. Source: Planadviser.com

Full Article Available Here --->> <https://www.planadviser.com/federal-courts-still-parsing-prudent-plan-administration/>

TO ERR IS HUMAN; TO FORGIVE IS ONLY A CORRECTION PROGRAM AWAY

No matter how diligent you are around plan administration, occasional mistakes are nonetheless inevitable. The good news is they can be fixed. Both the IRS and the DOL have established programs to help plan sponsors correct defects, allowing you to maintain the tax-qualified status of your plans or get back on the fiduciary straight and narrow. Source: Fidelity.com

Full Article Available Here --->> https://sponsor.fidelity.com/pspublic/pca/psw/public/library/manageplans/to_err_is_human.html

CHANGES IN TECHNOLOGY, REGULATION AND ACCESSIBILITY DRIVE RISE IN USE OF COLLECTIVE INVESTMENT TRUSTS

CITs are tax-exempt, pooled investment vehicles sponsored and maintained by a bank or trust company. Typically, available only to qualified retirement plans, CITs combine assets from eligible investors into a single investment portfolio with a specific investment strategy. By pooling assets, sponsors of CITs may take advantage of economies of scale to offer lower overall expenses. The sponsoring trustee provides an additional level of risk management, and today's CITs offer more innovative investment opportunities than in the past. Source: Seekingalpha.com

Full Article Available Here --->> <https://seekingalpha.com/article/4227886-changes-technology-regulation-accessibility-drive-rise-use-collective-investment-trusts>