

April 2016

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.

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Six Steps Towards Retirement for the Late Starter

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**General Items**  
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## Five Reasons Why Small Businesses Should Establish Retirement Plans

As a small business owners or self-employed professionals, you need to be thinking about preparing for retirement. Author writes about five reasons a retirement plan can help a small business owner. Source: 401khelpcenter.com

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## Why Decumulation Is Essential in Retirement Planning

Abstract: Retirement planning has two equal sides, one in which the focus is saving for retirement (accumulation) and the other in which your focus is managing your spending while in retirement (decumulation). Together they complete the picture of your retirement so extensive planning is required to ensure it's a picture you want to live with. Source: Benefitscanada.com

## [Six Steps Towards Retirement for the Late Starter](#)

Abstract: It's never too late to start saving for retirement. However, if you feel as though you are getting a late start and need to catch up on your retirement savings, here are six things to remember. Source: Brightscope.com

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## [Participants Show Troubling QDIA Behavior Trends](#)

Abstract: Target-date funds and other QDIAs are often thought of as set-it and forget-it investments, but new data from J.P. Morgan Asset Management highlights some troubling behaviors among participants invested in their plan's default. Source: Plansponsor.com

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## **Fiduciary and Plan Governance Material**

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## [New Guidance on SRIs, What Plan Committees Need to Know](#)

Abstract: Offers insight to managing economically targeted investments. The authors suggest that committees need to know the following when selecting investments that reflect ESG factors: Compare options in the same asset class against the market and consider each alternative using common measures; Understand whether ESG features will affect the expected return; and, Document the assessment that is made and monitor the decision frequently. Source: Drinkerbiddle.com

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## [Fee Allocation in 401k Plans: Choose Your Model](#)

Abstract: There are a number of options available to allocate plan expenses among participants. This article explores the three most popular models. Source: Shrm.org

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**Insights: Studies, Research and White Papers**  
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[Employers Are Concerned About Workers' Preparedness, But Perhaps Not Enough](#)

Abstract: BlackRock polled 1,003 participants in DC plans and 200 DC plan sponsors nationwide on a broad range of retirement planning issues and challenges. While 59% of sponsors say the majority of their participants are saving enough to retire with the income they will need, only 28% of the participants surveyed are confident they are saving enough -- and they want their employers help. Source: 401khelpcenter.com

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[Study Reveals Majority of Workers Save Only Enough to Equal the Employer Match](#)

Abstract: New research from LIMRA Secure Retirement Institute reveals that workers from for-profit and not-for-profit organizations will save only enough in their DC plan to receive the full company match. Source: 401khelpcenter.com

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[Research Uncovers the Benefits of Formal Written Retirement Plans](#)

Abstract: A new LIMRA Secure Retirement Institute study finds that pre-retirees and retirees (ages 55-75 with financial assets of \$100,000+) who have a formal written retirement plan are more likely to feel more confident they are saving enough for retirement and more than twice as likely to feel very prepared for retirement than those without one. Source: Limra.com

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**Compliance and Regulatory Related**  
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[The Final DOL Fiduciary Rule Expected to be Issued Soon](#)

Abstract: The timing for release of the final rule has been influenced by a desire to get this rule out in final form and effective before President Obama leaves office (and without being threatened by the right of Congress to challenge the regulation under the Congressional Review Act). That goal seems doable if the rule is out in final in the next month or so and made effective soon after that. Source: Psca.org

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[Mid-year Amendments to Safe Harbor 401k Plans and Notices](#)

Abstract: New guidance helps plan sponsors comply with the safe harbor plan and notice rules when making mid-year plan changes (Notice 2016-16). The new guidance provides that a mid-year change to a safe harbor plan or to a plan's safe harbor notice doesn't violate the safe harbor rules merely because it's a mid-year change. Source: [Irs.gov](http://irs.gov)

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[Refresher on Locating Missing Plan Participants](#)

Abstract: Retirement plan sponsors often need to contact former employees and other plan participants and beneficiaries in order to begin plan distributions or upon the plan's termination. Here is a quick refresher. Source: [Haynesboone.com](http://Haynesboone.com)

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