

IFS | Fiduciary Insights Update

Retirement Plan Monthly Newsletter

CONTACT INFORMATION

Institutional Fiduciary
Solutions

880 Carillon Parkway
St. Petersburg, FL 33716

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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

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- Real Estate Investments Increasing in DC Plans
- TCRS Study Suggests Substantial Retirement Risks Remain
- Five Good Reasons to Correct Retirement Plan Errors

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- The Best Way a 401k Plan Sponsor Can Avoid Headaches? Hire the Right TPA
- DOL Guidance on Cybersecurity: A Cautionary Note for Plan Sponsors
- Mistakes You Should Avoid When Dealing With an IRS/DOL Audit

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- IRS' 2021 Required Amendments List Doesn't Affect 401k Plans
- CITs, Retirement Income Products and ESG Investing Poised for Growth
- A Compendium of Findings About the Retirement Outlook of U.S. Workers

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- 2021 ERISA/Employee Benefits Legal Compliance Checklist
- Expect More Difficulty Obtaining Fiduciary Insurance
- IRS Expects 403b Plan Sponsors to Collect Information About Employees' Outside Employment
- The 2022 Retirement Legislation Landscape Takes Shape

GENERAL ITEMS

BIPARTISAN DISASTER RETIREMENT SAVINGS ACT INTRODUCED

The bipartisan Disaster Retirement Savings Act, introduced by Reps. Mike Thompson and Mike Kelly, who both sit on the tax-writing House Ways and Means Committee, would help survivors of natural disasters by allowing them to withdraw funds from retirement accounts to cover the unexpected and emergency costs related to disasters without incurring fees or penalties. Source: Napa-net.org

Full Article Available Here --->><https://www.napa-net.org/news-info/daily-news/bipartisan-disaster-retirement-savings-act-introduced>

REAL ESTATE INVESTMENTS INCREASING IN DC PLANS

A new report suggests defined contribution plan investors have grown more sophisticated in their knowledge of the real estate asset class and many are looking closer at asset-level and manager performance. Source: Plansponsor.com

Full Article Available Here --->> <https://www.plansponsor.com/real-estate-investments-increasing-dc-plans/>

TCRS STUDY SUGGESTS SUBSTANTIAL RETIREMENT RISKS REMAIN

While most U.S. workers say they are saving for retirement through employer-sponsored plans or other means, a much smaller percentage say they are "very confident" they will be able to retire fully and comfortably. According to findings on the retirement outlook of U.S. Workers from the Transamerica Center for Retirement Studies, more than four out of five workers (82%) say they are saving for retirement through their current employer's 401k or similar plan and/or outside of work. Source: Napa-net.org

Full Article Available Here --->><https://www.napa-net.org/news-info/daily-news/tcrs-study-suggests-substantial-retirement-risks-remain>

FIVE GOOD REASONS TO CORRECT RETIREMENT PLAN ERRORS

If your business sponsors a 401k or other retirement plan, it is governed by a lengthy plan document, often a separate trust agreement or custodial account agreement, and multiple other documents. Not surprisingly, most plan sponsors get something wrong somewhere along the way, whether it's concerning the plan document or the operation of the plan. Here are five reasons why taking prompt action to correct plan errors is in the best interests of your business, and your employees. Source: Eforerisa.com

Full Article Available Here --->> <https://eforerisa.com/2021/12/13/five-good-reasons-to-correct-retirement-plan-errors/>



FIDUCIARY AND PLAN GOVERNANCE MATERIAL

GETTING THE MOST OUT OF YEAR-END PLAN REVIEWS

Year-end plan reviews are just around the corner. On a Dec. 6. Session of the ASPPA Winter Symposium, Missy Matrangola, QKA, QPA, Consultant with Atlantic Pension Services, offered ideas on how to get the most out of those reviews. Source: Asppa.org

Full Article Available Here --->> <https://www.asppa.org/news/getting-most-out-year-end-plan-reviews>

THE BEST WAY A 401K PLAN SPONSOR CAN AVOID HEADACHES? HIRE THE RIGHT TPA

The most important step that plan sponsors can take in avoiding needless plan errors that can cost them in the pocketbook is by hiring the right third-party administrator. Here's why. Source: Jdsupra.com

Full Article Available Here --->> <https://www.jdsupra.com/legalnews/the-best-way-a-401k-plan-sponsor-can-a-63812/>

DOL GUIDANCE ON CYBERSECURITY: A CAUTIONARY NOTE FOR PLAN SPONSORS

The DOL's cybersecurity best practices for plans covered by ERISA makes it clear that plan sponsors, service providers, and participants share responsibility for protecting plan accounts. The adoption and implementation of ERISA cybersecurity policies and procedures will be your best defense against fiduciary litigation and DOL investigations, which are certain to arise in the wake of the DOL's guidance. Here are some tips. Source: Troutman.com

Full Article Available Here --->> <https://www.troutman.com/insights/dol-guidance-on-cybersecurity-a-cautionary-note-for-plan-sponsors.html>

MISTAKES YOU SHOULD AVOID WHEN DEALING WITH AN IRS/DOL AUDIT

Plan sponsors tend to focus on the wrong things. One of the biggest dangers to them and their pocketbook is an audit by the Internal Revenue Service or the Department of Labor. Yet most act nonchalantly about it. The problem is they make mistakes and this article is all about warning you not to make them. Source: Jdsupra.com

Full Article Available Here --->> <https://www.jdsupra.com/legalnews/mistakes-you-should-avoid-as-a-plan-spon-68244/>

INSIGHTS: STUDIES, RESEARCH AND WHITE PAPERS

JUSTICES SETTLE INTO OPPOSING CAMPS ON DUTIES OF RETIREMENT PLAN SPONSORS

The arguments in Hughes v. Northwestern University displayed a case that presents a prosaic question of trust law, the fiduciary obligation of the sponsors that control the DC plan. The author writes, "The reactions of the justices to the case seemed to have less to do with a careful parsing of the statute imposing that duty and much more to do with the differing predispositions that the justices have about the propensity of class actions to present defendants with an extortionate compulsion to settle even the flimsiest of allegations."

Source: Scotusblog.com

Full Article Available Here --->><https://www.scotusblog.com/2021/12/justices-settle-into-opposing-camps-on-duties-of-retirement-plan-sponsors/>

IRS' 2021 REQUIRED AMENDMENTS LIST DOESN'T AFFECT 401K PLANS

On November 30, 2021, IRS released Notice 2021-64, its annual list of required amendments for individually designed qualified retirement plans. This year, the RA List is notable in that, for perhaps the first time, it contains no provisions directly applicable to 401k plans. Source: Compliedashboard.net

Full Article Available Here --->> <https://www.compliedashboard.net/irs-2021-required-amendments-list-doesnt-affect-401k-plans/>

CITS, RETIREMENT INCOME PRODUCTS AND ESG INVESTING POISED FOR GROWTH

As registered investment adviser aggregator firms continue to acquire smaller players in the defined contribution space, investment managers are starting to take notice of their growing influence in deciding DC plan investments, a recent study suggests. There has been a shift in distribution dynamics as many RIA firms look to centralize their investment analysis and research. Source: Plansponsor.com

Full Article Available Here --->><https://www.plansponsor.com/cits-retirement-income-products-esg-investing-poised-growth/>

A COMPENDIUM OF FINDINGS ABOUT THE RETIREMENT OUTLOOK OF U.S. WORKERS

Since 1998, Transamerica Center for Retirement Studies has conducted this national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest-running and largest national surveys of its kind. This document is 320-pages.

Source: Transamericainstitute.org

Full Article Available Here --->><https://transamericainstitute.org/docs/default-source/research/2021-retirement-outlook-compendium-report.pdf>

COMPLIANCE AND REGULATORY RELATED

2021 ERISA/EMPLOYEE BENEFITS LEGAL COMPLIANCE CHECKLIST

A handy checklist that covers plan documents, plan operations, plan investments, and fiduciary concerns for end-of-year 2021. Source: Wagnerlawgroup.com

Full Article Available Here --->> <https://www.wagnerlawgroup.com/resources/erisa/erisa/employee-benefits-legal-compliance-checklist>

EXPECT MORE DIFFICULTLY OBTAINING FIDUCIARY INSURANCE

Increasing retirement plan-focused litigation has put insurance carriers and fiduciary service providers in difficult positions. In this article published in PLANSPONSOR, McDermott Partner Erin Turley said such litigation continues to be a "major focus" in the fiduciary insurance marketplace. "It is a challenging market right now, to the point that we are looking at trying to think about ways that insurance products might be differently structured, to address what we hope will only be a short-term tightening in the market." Source: Mwe.com

Full Article Available Here --->> https://images.mwe.com/Web/MCDERMOTTWILLEMERYLLP/%7Ba348b5dc-01aa-4d89-b1fb-b371232f294c%7D_Expect_More_Difficulty_Obtaining_Fiduciary_Insurance_PLANSPONSOR.pdf

IRS EXPECTS 403B PLAN SPONSORS TO COLLECT INFORMATION ABOUT EMPLOYEES' OUTSIDE EMPLOYMENT

In a recent "Issue Snapshot" about how the annual limit on retirement plan contributions under Section 415(c) of the Internal Revenue Code applies to 403b plans, the IRS revealed that it expects 403b plan sponsors to maintain procedures to inform employees about Section 415(c)'s special aggregation rule for 403b plans and to collect information from employees about outside employment and retirement plan contributions. Source: Verrill-law.com

Full Article Available Here --->> <https://www.verrill-law.com/benefits-law-update/403b-plan-compliance-with-the-annual-additions-limit-irs-expects-403b-plan-sponsors-to-collect-information-about-employees-outside-employment/>

THE 2022 RETIREMENT LEGISLATION LANDSCAPE TAKES SHAPE

For much of 2021, the relative flurry of retirement plan-related legislative activity had experts feeling hopeful that much-needed progress was right around the corner. More recently, however, industry advocates' hopes for such retirement reforms being passed as part of the ongoing federal budget negotiations have mostly been dashed. Retirement reforms may have to wait for 2022. Source: Planadviser.com

Full Article Available Here --->> <https://www.planadviser.com/2022-retirement-legislation-landscape-takes-shape/>



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