

## July 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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**General Items**  
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### Roth 401k Options Are Underused

Abstract: A Roth 401k account can be a tremendously valuable vehicle for employees to save for retirement. Unfortunately, many employers have yet to appreciate and, in some cases, communicate effectively the full potential of the Roth option. Source: Shrm.org

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### Employees Willing to Pay More for Retirement Benefits

Abstract: Nearly one-quarter of employees say they will have to work past age 70, but many of them may not be able to due to stress and health issues. Source: Plan Sponsor

## [401k Loan Activity Trends Lower](#)

Abstract: At year-end 2014 one in five still had an outstanding loan, according to a report based on the EBRI/ICI 401k database. That was down from 21% at year-end 2013, but up from 18% at year-end 2008. Loans outstanding amounted to 11% of the remaining account balance, on average, at year-end 2014, down one percentage point from year-end 2013. Source: Napa-net.org

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## **Fiduciary and Plan Governance Material**

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### [\(b\)lines Ask the Experts – Can Plan Sponsors Reduce Fiduciary Liability?](#)

Abstract: “I am a fiduciary for our ERISA retirement plan. Can I reduce my fiduciary liability or even eliminate it entirely?” Source: Plansponsor

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### [What Will – and Won’t – Change for Plan Sponsors with the Fiduciary Rule](#)

Abstract: With the Labor Department’s fiduciary regulation now final, your plan sponsor clients may well be asking, “So, what does this mean for me?” A recent analysis by consultant Mercer outlines the following potential impacts. Sponsor: NAPA-net.org

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### [SDBAs: Undesired Elements for Plan Fiduciaries](#)

Abstract: Some retirement plans are utilizing Self-Directed Brokerage Accounts as the primary investment vehicle for plan participants, but using this element instead of a recordkeeping platform is potentially formulating undesired results. There are numerous fiduciary and participant related considerations that typically outweigh the investment flexibility benefit that SDBAs offer. Source: Bpp401k.com

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**Insights: Studies, Research and White Papers**  
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[\(b\)lines Ask the Experts – Must Participants Loan Be Paid Upon Termination?](#)

Abstract: “Our recordkeeper insists that the final loan regulations require repayment of the loan upon termination of employment, but I have argued with them that this is not the case. Is the recordkeeper correct, or am I correct? Source: Plan Sponsor

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[Impact of Student Loan Debt on Retirement Plan Participation](#)

Abstract: The Plan Sponsor Council of America released the results of its 2016 study assessing student loan debt and plan sponsors' response to the perceived notion that student debt affects employees' participation in company retirement plans. Report is 11-pages. Source: Psca.org

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[Best Practices for 403\(b\) Plans](#)

Abstract: 403(b)s are still catching up with plan design and fiduciary best practices including automatically enroll participants, automatically escalate deferrals each year, and re-enrollment. Source: Plansponsor.com

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**Compliance and Regulatory Related**  
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[Fail to Adopt a New Preapproved DC Plan by the April 30th Deadline?](#)

Abstract: If you are a plan sponsor of a defined contribution retirement plan that is on a preapproved document, and you did not sign a restated plan document as required on or before the April 30, 2016 deadline, your retirement plan is technically no longer entitled to tax-favored treatment. Article reviews steps needed to correct the error. Source: Benefitslawadvisor.com

[New Overtime Rules May Affect Benefits Plans](#)

Abstract: The recently finalized FLSA regulations highlight the potential impact on salaries and wages for many organizations. In addition to the focus on bottom-line labor cost dollars, a further consideration for companies is any impact on benefits plans, such as eligibility for certain benefits, and changes in benefits levels, such as for retirement and life insurance. Source: Huffingtonpost.com

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[Mid-Year Amendments to Safe Harbor Plans](#)

Abstract: Thanks to Notice 2016-16, the IRS continues to permit mid-year amendments to a safe harbor plan and the notice does not disallow certain other types of changes. Article lists both. Source: Belfint.com

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