



PIECES OF THE PUZZLE

June 2017

Retirement Plan Fiduciary Recordkeeping 2017

If you're responsible for managing a retirement plan, you are likely considered an Employee Retirement Income Security Act of 1974 "ERISA" Fiduciary. As a fiduciary, you have the authority to control and manage the operation and administration of a plan, including, but not limited to, investments and management of plan assets and expenses. Put simply, as an ERISA fiduciary, you are required to act in the best interest of the plan and plan participants.

Along those lines, keeping track of your defined contribution retirement plan's fiduciary documents is critical. The following list helps you understand which documents to store and retain. Simply review, check off and store your 2017 fiduciary documents together in one place. As you do, keep in mind:

- Some of these documents may be available through the custodian holding the funds (Principal, John Hancock, American Funds, etc.). Other documents may be provided by your financial professional (advisor) or third party administrator (TPA).
- ERISA requires that you store fiduciary documents for at least six years. For 2017 calendar year, save the documents until at least 2023. Select documents may need to be retained longer.
- This list does not include every document applicable to every plan type or required by law so make sure you review with your legal counsel, financial professional, and TPA.

| Plan and Contract Documents | |
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| For all plans: | If applicable: |
| <input type="checkbox"/> Signed plan document and amendments | <input type="checkbox"/> Trust documents |
| <input type="checkbox"/> Summary Plan Description (SPD) | <input type="checkbox"/> Bargaining agreements |
| <input type="checkbox"/> Summary of Materials Modifications (SMM) | <input type="checkbox"/> Service warranty |
| <input type="checkbox"/> IRS determination letter/opinion letter | <input type="checkbox"/> Participant loan program procedures |
| <input type="checkbox"/> Service and expense agreements | <input type="checkbox"/> Board resolutions |
| <input type="checkbox"/> Documents pertaining to the appointment of fiduciaries (i.e., hiring fiduciary investment advisors or service providers that are providing fiduciary services) | <input type="checkbox"/> All documents delegating any fiduciary duties |
| Participant Notices and Documents | |
| For all plans: | If applicable: |
| <input type="checkbox"/> Enrollment materials | <input type="checkbox"/> Education policy statement or plan |
| <input type="checkbox"/> Participant benefit statements | <input type="checkbox"/> ERISA 404(c) notice, Safe Harbor notice, Automatic enrollment notice |

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| <input type="checkbox"/> Beneficiary designations | <input type="checkbox"/> Notices regarding any blackout period, 404(c), 404(a), annual and change notices, Safe Harbor, Automatic enrollment or Qualified Default Investment Alternative (QDIA) |
| <input type="checkbox"/> Summary Annual Report (SAR) | |
| <input type="checkbox"/> ERISA 404(a) disclosure notice | |

Investment Option Evaluation and Selection

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| For all plans: | If applicable: |
| <input type="checkbox"/> Documents of investment option monitoring | <input type="checkbox"/> Investment policy statement (IPS) |
| <input type="checkbox"/> Plan investment records, such as investment allocations and participant loans | <input type="checkbox"/> Group annuity contract(s) |
| <input type="checkbox"/> Current prospects for mutual fund investment options and similar material for non-mutual fund investment options | |
| <input type="checkbox"/> Due Diligence Process Year in Review | |

Regulatory Filings

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| For all plans: | If applicable: |
| <input type="checkbox"/> Form 5500 Annual Report, including all applicable schedules and the plan's audited financial statement | <input type="checkbox"/> IRS Form 5300 series filings for plan qualification |
| <input type="checkbox"/> Actual Deferral Percentage (ADP) test | <input type="checkbox"/> IRS Form 5310-A filing for intent to merge two or more plans |
| <input type="checkbox"/> Actual Contribution Percentage (ACP) test | <input type="checkbox"/> Special nondiscrimination testing <ul style="list-style-type: none"> • IRC Section 401(a)(4) nondiscrimination test • IRC Section 414(s) compensation test (also known as the alternative compensation test) |
| <input type="checkbox"/> Top-heavy determination test (not applicable to 403(b) plans) | |
| <input type="checkbox"/> IRC Section 415 annual contribution limit test | |
| <input type="checkbox"/> IRC Section 402(g) contribution limits monitored | |
| <input type="checkbox"/> IRC Section 410(b) coverage test | <input type="checkbox"/> ESOP Only: IRS Section 409(p) special testing for S Corporation |

Fidelity Bond and Other Risk Shifting Strategies

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| For all plans: | If applicable: |
| <input type="checkbox"/> Fidelity bond coverage | <input type="checkbox"/> Fiduciary liability insurance policy |
| | <input type="checkbox"/> Documentation of indemnification of plan fiduciaries |

Plan Expense Evaluation

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| For all plans: | If applicable: |
| <input type="checkbox"/> The Principal Financial Group Disclosure Statement | <input type="checkbox"/> Any plan expense correspondence from your legal counsel, financial professional or service provider |
| <input type="checkbox"/> Any prospectus and other supporting documents used to disclose eligible indirect compensation (expense) | <input type="checkbox"/> Any review to assess the reasonableness of fees (direct and indirect) and monitor service providers for the services provided to the plan |
| <input type="checkbox"/> Fee Policy Statement | <input type="checkbox"/> Review of the plan's ERISA Budget |
| | <input type="checkbox"/> Completed ERISA 408(b)(2) checklist |

Policies and Procedures

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| For all plans: |
| <input type="checkbox"/> Documentation of policies and procedures |

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| <input type="checkbox"/> Review of the plan's operation in comparison to the plan document and policies and procedures (internal controls) |
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| Employer and Employee Contributions |
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| For all plans: |
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| <input type="checkbox"/> Records evidencing employer and employee contributions and loan repayments per pay period |
| <input type="checkbox"/> Participant records including census and compensation |
| <input type="checkbox"/> Records related to the correction or untimely remittance of contributions or loan repayments |
| <input type="checkbox"/> Participant allocation and trust statements |

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| Loans and Hardship Documentation |
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| For all plans: |
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| <input type="checkbox"/> Hardship distribution and loan records |
| <input type="checkbox"/> Documentation the hardship distribution or loan was used to purchase a primary residence |

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| Annual Plan Review |
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| For all plans: | If applicable: |
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| <input type="checkbox"/> Meeting minutes, including all decisions made by the committee and/or fiduciaries | <input type="checkbox"/> Charter statements |
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We at Howard & Company have been involved in the auditing and reporting of retirement plans for over twenty years, please feel free to contact us if you have any questions.

Source: Principal Financial Group



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