

PLAN MEETINGS: KEEPING YOUR PLAN ON TRACK

THINK FURTHER FOR RETIREMENT



When you established your retirement plan, you set objectives such as offering competitive benefits to attract and retain talented employees and helping your employees achieve a financially secure retirement. You also took on the fiduciary responsibility for managing the plan and its assets. Regularly scheduled plan meetings are one of the most effective vehicles for making sure your plan stays on track, meets goals, and operates in compliance with retirement plan rules.

HELPING **PLAN SPONSORS** THINK FURTHER FOR THEIR RETIREMENT PLAN



Many plan sponsors view investment lineup evaluation as the primary goal of plan meetings. This article introduces five steps to help plan sponsors **Think Further** about using plan meetings to help maintain operational compliance and fulfill their fiduciary duties to the plan.

1 **BUILD A MEETING CALENDAR**

Determine the appropriate schedule for reviewing goals, discussing plan features, and evaluating success.

Some plan sponsors schedule quarterly meetings to review retirement plan activity. Others opt for semi-annual or annual plan meetings. At the beginning of each calendar year, set your meeting schedule for the entire year. Make certain the dates are added to the calendars of all fiduciaries as well as service providers or staff who should participate. If you have established a plan committee and adopted bylaws, make sure you are following the plan meeting requirements of your bylaws (e.g., frequency of meetings, notice requirements).

2 DECIDE WHO SHOULD ATTEND

All plan fiduciaries should participate in the plan meeting.

Under ERISA, those with discretionary authority to manage a plan or plan assets, referred to as “fiduciaries,” must follow strict standards of conduct. If fiduciaries do not follow the basic fiduciary standards of conduct, they can be held personally liable.

Plan Fiduciaries

- **Plan Sponsor**—The owner of the business sponsoring the plan typically serves as a plan fiduciary. Key management staff (such as the chief financial officer and human resource director) also serve as fiduciaries.
- **Committee**—Some employers, especially larger employers, organize a plan committee to manage the fiduciary oversight responsibilities.

Financial Advisors

- Plan meetings should typically include the plan’s investment professional. In addition to providing reports and benchmarking information regarding the plan’s investments, tap into the expertise of your financial advisor for support managing your fiduciary responsibilities.
 - Fiduciary education
 - Investment Policy Statement development
 - Due diligence support for investments and service providers
 - Benchmarking fees

Service Providers

- **Third Party Administrator (TPA) or Recordkeeper**—Consider including your administrative support service provider at some of your plan meetings.

3 BUILD A PLAN MEETING AGENDA

Build an agenda that helps you manage your fiduciary and operational responsibilities.

Many plan sponsors rely on their financial advisor to help them think further about their plan meeting as more than just an investment review. The meeting provides an opportunity to address all major plan activities a plan sponsor should monitor on a regular basis.

Some additional items that are more strategic in nature should be reviewed at least once each year.

Sample Plan Meeting Agenda

- Approval of Agenda
- Approval of Minutes
- Industry Update—trends, new laws or regulations
- Investment Review
- Administrative Review
- Plan Participation and Engagement Statistics
- Education Meetings/Calendar
- Post-Meeting Actions—action items and responsibility

Annual Review Items

- Plan objectives
- Year-over-year plan wellness metrics (participation rate, retirement readiness)
- Plan features and enhancements
- Service provider performance and fees
- Fidelity bond coverage

4 KEEP MINUTES

Keep written minutes of plan meetings to demonstrate that plan fiduciaries are meeting their fiduciary duties.

Include in the written minutes a list of all key decisions made at the plan meetings and the rationale for those decisions. Retain reports or projections that served as the basis for the decision. Make certain to assign ownership for keeping the minutes at each meeting. Meeting minutes should be reviewed and approved at the next plan meeting. This will help the committee monitor that proper records are being maintained of their activities and that any actions assigned at the prior meeting were successfully completed.

5 DEFINE ACTIONS AND FOLLOW UP

At the end of each meeting, make a list of all actions identified at the plan meeting such as plan amendments, corrective distributions, or employee communications.

For Each Action Item, Fiduciaries Should Include in the Minutes:

- Action item description
- Responsible individual(s)
- Time frame for completion

- Sponsoring a retirement plan comes with some important fiduciary responsibilities. Building an effective plan meeting process will help you manage your fiduciary responsibilities and make certain your plan is on track to meet your business goals and the retirement savings goals of your employees.



To learn more about the responsibilities of a plan fiduciary, or to access tools for working with plan fiduciaries, reach out to your Alger contact, email us at retirement@alger.com or visit us at www.alger.com.

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