

# ANNUAL RETIREMENT PLAN CHECKLIST

As a plan sponsor, you're automatically a fiduciary. In the world of ERISA, DOL and IRS, a fiduciary is one who acts only in the best interest of a plan's participants and its beneficiaries with the care of a "prudent person."

You are responsible for keeping your plan in compliance with government regulations. One of the important areas of compliance involves the many documents of plan administration. These documents must be in writing and kept at your fingertips in case you need to refer to them. It is not enough to have copies of the documents in your file cabinet - you must understand and closely follow them.

- ✔ **Plan document.** A legal document that governs your plan that identifies the type of plan, its features and how it works. Plans can have either individually designed documents or pre-approved prototype documents with adoption agreements that specify plan features. The plan document includes amendments that must be made periodically to conform to federal regulations.
- ✔ **Summary Plan Document (SPD).** A document you're required to give to each participant. An SPD outlines the plan's provisions in plain English, so participants can understand their plan, its features, and how it operates. It also provides information on when an employee can begin to participate in the plan and how they can file a claim for benefits.
- ✔ **Determination/Opinion/Advisory Letter.** A letter issued by the IRS that indicates your plan meets IRS regulations and therefore, qualifies for favorable tax treatment.
- ✔ **Investment Policy Statement (IPS).** A guideline that outlines the methods for selecting and monitoring plan investments. It specifies how and under what circumstances investments are changed. Although not required by ERISA, it is an important document that should be closely followed.
- ✔ **Loan policy.** If loans are allowed by your plan, this document outlines the circumstances under which participants can take loans, the number allowed at any one time, the amounts allowed and repayment provisions. The policy should also cover circumstances under which loans can default.
- ✔ **Vendor service agreements.** Documents with each of the vendors such as TPAs, recordkeepers, auditors, attorneys and financial advisors. These documents should outline the services to be provided, the length of service and applicable fees. Fees should be reviewed regularly for reasonableness.
- ✔ **Plan committee meeting minutes.** A 401(k) plan has a governing committee that meets regularly - such as quarterly, but not less than annually - to review plan issues such as potential amendments and service provider reports. Especially important is a review of plan investments. Decisions are documented and minutes are kept.

**Need more information on the documents you need and how to stay up-to-date? Contact us today.**



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This information was developed as a general guide to educate plan sponsors and is not intended as authoritative guidance or tax/legal advice. Each plan has unique requirements, and you should consult your attorney or tax advisor for guidance on your specific situation.

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