

November 2017

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

The 411 on Roth vs Regular 401ks

What Kind of Relief May Employers Offer to Affected Employees of Hurricane Harvey and Irma?

Five Ways to Make 401k Portability a 2018 Priority

Fiduciary and Plan Governance Material

The Misperception of Fiduciary Risk and Active Management in DC Plans: A Legal Perspective

Fiduciaries: "Can Someone Just Tell Me What to Do?"

Avoiding Fiduciary Traps: Eight Tips for DC Plan Sponsors

Insights: Studies, Research and White Papers

Millennials Engaged in Retirement Saving, but Challenge Norms

Most DC Plan Participants Don't Understand Roths, Survey Finds

Seven-Year Streak of Falling Corporate DC Plan Fees Ends

Compliance and Regulatory Related

ERISA's Reasonable Fee Requirement

Warren Ups War of Words in 401k Fiduciary Fight

Significant Changes Proposed for Employee Benefit Plan Audit Reports

IRS Preapproved Retirement Plan Program Modestly Modified to Accommodate More Designs

General Items

The 411 on Roth vs Regular 401ks

Abstract: Workers usually don't know the difference. Yet employers increasingly are asking them to choose. Nearly two-thirds of private-sector employers with Vanguard plans today offer both a traditional and a Roth 401k in their employee benefits. Just four years ago, fewer than half did. Here are some tips on navigating the traditional-vs-Roth decision. Source: Bc.edu

[What Kind of Relief May Employers Offer to Affected Employees of Hurricane Harvey and Irma?](#)

Abstract: Employers with employees and operations impacted by the recent hurricanes are asking what type of compensation, employee benefits, and tax relief may be available to them and their affected employees. This is a 7-page review. Source: Ebglaw.com

[Five Ways to Make 401k Portability a 2018 Priority](#)

Abstract: Many sponsors could miss an important opportunity to make straightforward changes to enhance portability, changes that can significantly improve participants' financial wellness, reduce plan expenses and minimize fiduciary liability. Source: 401kspecialistmag.com

Fiduciary and Plan Governance Material

[The Misperception of Fiduciary Risk and Active Management in DC Plans: A Legal Perspective](#)

Abstract: In the complex and litigation-prone world DC plans occupy, it is important to underline what the real focal points for fiduciaries should be. Here are five guiding principles under ERISA that can aid fiduciaries in selecting and monitoring investment options and assessing active strategies within their plan lineups. Source: Troweprice.com

[Fiduciaries: "Can Someone Just Tell Me What to Do?"](#)

Abstract: Eight of ten employers say they're concerned about an increase in fiduciary litigation. And more than a quarter listed fiduciary liability and litigation as their top 401k concern. Who can blame a fiduciary for thinking, "Can someone just tell me what I have to do?" Source: Manning-Napier.com

[Avoiding Fiduciary Traps: Eight Tips for DC Plan Sponsors](#)

Abstract: DC plan sponsors often worry about landing in hot water for doing the wrong thing. However, many fiduciary issues crop up because plan sponsors have failed to act. Here are eight potential fiduciary traps and suggest ways to avoid them. Source: Callan.com

[Insights: Studies, Research and White Papers](#)

[Millennials Engaged in Retirement Saving, but Challenge Norms](#)

Abstract: Millennials are taking steps to save early for retirement, but they also have higher expectations that employers should be offering access to a retirement savings plan and socially responsive investments, according to new survey results. Source: Ntsa-net.org

[Most DC Plan Participants Don't Understand Roths, Survey Finds](#)

Abstract: Amid all of the recent talk about tax reform and the potential move toward Rothification, Cerulli Associates has come out with a new report showing that only one-third of DC plan participants can correctly identify the benefits of Roth contributions. Source: Asppa.org

[Seven-Year Streak of Falling Corporate DC Plan Fees Ends](#)

Abstract: Investment consulting firm NEPC's annual defined contribution plan and fee survey reported that recordkeeping, trust and custody fees remained flat over the past year, the first time it hasn't declined since 2010. Source: Ai-cio.com

Compliance and Regulatory Related

[ERISA's Reasonable Fee Requirement](#)

Abstract: Plan fiduciaries must review service provider fees annually against reliable indicators as part of proper plan governance. The efficacy of any such review depends upon the ability to break out fees for each service and to utilize acceptable benchmarks, rather than self-serving benchmarks supporting excessive fee arrangements. Source: Cpajournal.com

[Warren Ups War of Words in 401k Fiduciary Fight](#)

Abstract: Elizabeth Warren fired off yet another letter last week, this time to Labor Secretary Alexander Acosta, urging the latter to implement the fiduciary rule post haste. She cited comments made by financial services companies during earnings calls to bolster her case, noting "that they are prepared to comply with the rule in its current form and that many believe it to be in the best interests of their customers." Source: 401kspecialistmag.com

[Significant Changes Proposed for Employee Benefit Plan Audit Reports](#)

Abstract: AICPA Auditing Standards Board has proposed changes to the reporting standards for annual audits of employee benefit plans that are covered by ERISA. The proposal, which was issued in April 2017, was in response to a request from the U.S. Department of Labor to re-examine the current audit reporting model for employee benefit plans. Source: Franczek.com

[IRS Preapproved Retirement Plan Program Modestly Modified to Accommodate More Designs](#)

Abstract: The modifications are designed to further the IRS's stated intention to encourage sponsors of individually designed plans to transition to a preapproved plan format. However, the changes are relatively modest and most large plan sponsors will likely find other ways to mitigate their higher compliance risk. Source: Towerswatson.com

Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.

Shares of mutual funds and exchange traded funds are subject to investment risk, including possible loss of principal amount invested, and will fluctuate in value. You may receive more or less than you paid when you redeem your shares.

Investors should consider the investment objectives, risks, and charges and expenses of balanced funds, target date funds, lifestyle/lifecycle funds, and exchange traded funds carefully before investing. The prospectus contains this and other information about these investments. The prospectus is available from your financial advisor or fund company and should be read carefully before investing.

Please consult a financial, tax or legal professional for further information related to any of these articles.