

Raymond James Retirement Plan Monthly Newsletter

August, 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.

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General Items

[Targeted Communication Driving Deferral Rates](#)

Abstract: Most Americans are unsure about how much of their pay they should use to fuel a retirement savings vehicle. However, certain steps can be taken to address this issue. Ascensus found that targeted communication, education, technology, and auto-enrollment together can have a significant impact on motivating participants to increase contribution rates. Source: Planadviser.com

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[Tear Down the Silos Between HSAs and 401ks](#)

Abstract: It's time for health savings accounts and 401ks to get better acquainted. Consigning them to separate silos isn't helping employees save for retirement, which is costing employers a bundle of money. Source: Shrm.org

[Who Killed Retirement Security? If You Look Closely, It Wasn't the 401k](#)

Abstract: Private retirement savings are at record levels, and the uptick in saving began at precisely the time when 401ks began to replace traditional pensions. By far the biggest risk to retirement security is underfunded government retirement plans, which have promised vastly greater benefits than they can pay. Source: Thehill.com

[Good Bets by 401k Plan Sponsor That Will Limit Their Liability](#)

Abstract: Retirement plan sponsors can make bets that will pay off in limiting liability by making informed, smart decisions that will pay off in the long run. This article is about good decisions that are sure bets that will help a plan sponsor limit their liability. Source: Jdsupra.com

Fiduciary and Plan Governance Material

[Technology Reshaping Participant Communications](#)

Abstract: A new study finds plan providers are turning to cloud-based technology and other solutions to enhance targeted communications toward different age groups. Source: Plansponsor.com

[Update on the DOL's Fiduciary Rule](#)

Abstract: Assuming that the fiduciary rule and the revised prohibited transaction exemptions will survive in some form, plan sponsors (and other plan fiduciaries) that have not already done so should undertake an assessment of the investment education and investment advice services provided to the plan, to plan fiduciaries and to plan participants. To the extent service providers are providing more than general investment education, the parties should be making good faith efforts to modify the service arrangements, as necessary, to comply with the new and revised rules. Source: Bsk.com

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[The Quandary of Publicly-Traded Employer Stock in a 401k Plan](#)

Abstract: This article examines the quandary that employer stock funds pose for plan sponsors, who must navigate ERISA's careful balance of (1) ensuring fair and prompt enforcement of employee rights under employer-provided retirement plans while (2) encouraging employer creation of these plans. Source: Employeebenefitsblog.com

[The 401k Plan Investment Policy Statement](#)

Abstract: A road map for selecting 401k investments helps keep the plan's offerings consistent. And well-defined criteria for regularly evaluating the investments ensures that the fund managers are investing the plan's assets in a manner consistent with your expectations. Once in place, a 401k investment policy statement can provide evidence that the plan sponsor is dutifully acting as a fiduciary when it comes to overseeing the plan's investments. Source: Forusall.com

Insights: Studies, Research and White Papers

[Millennials Make Greatest Gains in 401k Plan Participation](#)

Abstract: Rates of saving for retirement and investing habits differ from one generation to the next, according to a recent analysis of four million people who participate in 401k plans provided by Wells Fargo. Retirement plan data for Boomers, Generation X, and Millennials reveal ways each generation can learn from the others when it comes to saving for retirement. Source: 401khelpcenter.com

[Mutual Fund Fees Keep Dipping in 401ks](#)

Abstract: Following a long-running trend, the average fees that 401k participants incurred for investing in equity, hybrid, and bond mutual funds dropped in 2016 for the seventh straight year, according to the latest study by the Investment Company Institute. Source: Planadviser.com

[Market Gains Drove Highest Quarterly Return for DC Plans Since 2013](#)

Abstract: DC plans were on the receiving end of strong market performance during the first quarter of this year, rising 4.67%, its highest quarterly return since year-end 2013, according to the latest Callan DC Index. Source: Asppa.org

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Compliance and Regulatory Related

[Welcomed IRS Guidance on Use of Forfeitures and Hardship Distributions](#)

Abstract: The IRS recently issued two pieces of long-awaited guidance to facilitate qualified plan operations. The first was the issuance of proposed regulations that would permit forfeitures to be used to fund safe harbor contributions and other corrective contributions. The second was the issuance of new audit procedures regarding the substantiation of hardship distributions, which permits a method of substantiating hardship distributions without having to review and retain the underlying support documentation to show the immediate and heavy financial need for a safe harbor hardship distribution. The new guidance is summarized in this article. Source: Groom.com

[Fiduciary Reforms Will Impact Expanding HSA Market](#)

Abstract: The DOL fiduciary rule expansion establishes ERISA fair dealing requirements in the sale and service of health savings accounts; employers have a lot of questions about what this means. Source: Planadviser.com

[Handling QDROs for Your Retirement Plan](#)

Abstract: When couples divorce, one spouse's retirement benefits may be divided as part of a property settlement. Although federal law generally does not allow plan participants to assign or alienate their retirement plan interests, there is a limited exception. Retirement benefits may be assigned to a spouse, former spouse, child, or other dependent to satisfy family support or marital property obligations through a domestic relations order if the plan administrator determines it is a qualified domestic relations order (QDRO). Source: Pentegra.com