

IFS | Fiduciary Insights Update

Retirement Plan Monthly Newsletter

CONTACT INFORMATION

Institutional Fiduciary Solutions

727-567-2375

IFSInstitutionalFiduciarySolutions@RaymondJames.com

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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

- How a 'Mega Roth' Can Help Your DC Plan
- American Retirement Association Announces E-delivery Initiative
- Retirement's Future Could Rest With Digital Tools
- Competing Financial Needs Disrupt 401k Saving for Many Americans

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

- 401k Plan Sponsors in Desperate Need of Fiduciary Know-How
- Protect Your Qualified Plan From RMD Failures
- 2018 Resolution: Conduct ERISA Fiduciary Training
- Tips for Meeting 401k Fiduciary Duties

INSIGHTS: STUDIES, RESEARCH AND WHITE PAPERS

- How Is Income in Retirement Changing?
- Boomer Expectations for Retirement - 2018 Study
- Retirement Income to Last a Lifetime
- PSCA Study Shows Steady Increase in Automatic Features

COMPLIANCE AND REGULATORY RELATED

- DOL Clarifies Stance on ESG in 401ks
- TCJA Participant Loan Changes Compel Review of Uncomfortable Loan Fiduciary Obligations
- Like It or Not, Annuities Are Coming to Retirement Plans
- Will SCOTUS Decide the Fate of the DOL Fiduciary Rule?

GENERAL ITEMS

HOW A 'MEGA ROTH' CAN HELP YOUR DC PLAN

Plan sponsors who want to allow participants to contribute more Roth monies to a defined contribution plan than the standard limits have an option: An in-plan Roth conversion of after-tax contributions in the same year they are made to the DC plan. Source: Callan.com

Full Article Available Here --->> <https://www.callan.com/mega-roth/>

AMERICAN RETIREMENT ASSOCIATION ANNOUNCES E-DELIVERY INITIATIVE

American Retirement Association CEO Brian Graff unveiled plans to address the expensive and outdated ERISA requirement to disclose information to 401k participants in paper form. The ARA's proposal would essentially flip the current orientation of the DOL's ERISA regulations, which emphasize providing paper disclosures to plan participants. Source: Ntsa-net.org

Full Article Available Here --->> <http://ntsa-net.org/News/Browse-Topics/Inside-NTSA/Article/ArticleID/9817/Graff-Announces-E-delivery-Initiative>

RETIREMENT'S FUTURE COULD REST WITH DIGITAL TOOLS

When a chatbot and text messages, as well as targeted e-mails, are combined with the principles of behavioral economics -- specifically, nudging people into certain actions -- the effects on retirement savings can be substantial. Source: Voya.com

Full Article Available Here --->> <http://voyainsights.voya.com/whats-new/retirement%E2%80%99s-future-could-rest-digital-tools-behavioral-economics-nc>

COMPETING FINANCIAL NEEDS DISRUPT 401K SAVING FOR MANY AMERICANS

It's not that U.S. workers don't want to save for retirement. In fact, more Americans than ever before say retirement security is important. However, many are experiencing financial stress, which in turn is inhibiting saving. Source: 401kspecialistmag.com

Full Article Available Here --->> <https://401kspecialistmag.com/competing-financial-needs-disrupt-401k-saving-for-many-americans/>

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

401K PLAN SPONSORS IN DESPERATE NEED OF FIDUCIARY KNOW-HOW

Ensuring that Americans are able to retire with dignity (and sustain that dignity throughout retirement) begins with helping 401k plan sponsors realize and fulfill their fiduciary obligations. It's a concept easy enough for an advisor to write on their to-do list, but more difficult than it seems to check off. Source: 401kspecialistmag.com

Full Article Available Here --->> <https://401kspecialistmag.com/401k-plan-sponsors-in-desperate-need-of-fiduciary-know-how/>

PROTECT YOUR QUALIFIED PLAN FROM RMD FAILURES

Qualified retirement plans are subject to Required Minimum Distribution rules which, very generally, require that a minimum amount of benefit commence no later than April 1 following the year when a participant attains age 70 1/2. It is important to protect your qualified plan from RMD failures to avoid potential tax consequences. Source: Watkinsross.com

Full Article Available Here --->> <http://watkinsross.com/protect-qualified-plan-rmd-failures/>

2018 RESOLUTION: CONDUCT ERISA FIDUCIARY TRAINING

Given the high stakes, it is important that plan fiduciaries understand their duties and how best to fulfill them. For employers who have not yet undertaken the task, training of plan fiduciaries should be a top priority for 2018. This article reviews 10 key topics that should be included in an ERISA fiduciary training program. Source: Thompsoncoburn.com

Full Article Available Here --->> <https://www.thompsoncoburn.com/insights/publications/item/2018-04-04/2018-resolution-conduct-erisa-fiduciary-training>

TIPS FOR MEETING 401K FIDUCIARY DUTIES

The Department of Labor's fiduciary rule may be on hold indefinitely, but that doesn't mean that fiduciary duties similarly are in limbo. This article offers some tips for meeting them. Source: Asppa.org

Full Article Available Here --->> <http://www.asppa.org/News/Article/ArticleID/9758/Tips-for-Meeting-401-k-Fiduciary-Duties>

INSIGHTS: STUDIES, RESEARCH AND WHITE PAPERS

HOW IS INCOME IN RETIREMENT CHANGING?

The RCS shows how workers' expectations of the sources of income in retirement might differ from the sources of income for current retirees: 26 percent of retirees report receiving income from work, while 68 percent of workers expect working for pay to provide them income in retirement; 2-in-3 retirees report Social Security is a major source of income, while only about a third of workers believe Social Security will be a major source; and more than 4-in-10 retirees report income from a DB or pension plan is a major source of income, while only 32% of workers expect a DB plan to be a major source for them in retirement. Source: Ebriorg.wordpress.com

Full Article Available Here --->> <https://ebriorg.wordpress.com/2018/04/28/how-is-income-in-retirement-changing/>

BOOMER EXPECTATIONS FOR RETIREMENT - 2018 STUDY

Baby boomers -- even the youngest of whom are just a decade or so away from retirement age -- are in large measure unprepared for retirement, having failed both to plan adequately and save enough, according to this 26-page study released by the Insured Retirement Institute. Source: Myirionline.org

Full Article Available Here --->> https://www.myirionline.org/docs/default-source/research/iri_babyboomers_whitepaper_2018_final.pdf?sfvrsn=2

RETIREMENT INCOME TO LAST A LIFETIME

Many approaches may be needed to help future retirees secure lifetime incomes to provide them with the security and dignity of personally managing their retirement. Possible approaches consist of reevaluating federal retirement policies, emphasizing financial literacy and education, and refocusing retirement plan designs. Source: Actuary.org

Full Article Available Here --->> http://www.actuary.org/files/publications/EE_LifetimeIncome_04.18.pdf

PSCA STUDY SHOWS STEADY INCREASE IN AUTOMATIC FEATURES

Abstract: Plans with an automatic enrollment feature nearly doubled over the past decade according to the Plan Sponsor Council of America's 60th Annual Survey of Profit Sharing and 401k Plans. PSCA found 59.7 percent of plans have an automatic enrollment feature in 2016 compared to 35.6 percent in 2007. Source: Psca.org

Full Article Available Here --->> https://www.pzca.org/PR_2018_60thAS_AE

COMPLIANCE AND REGULATORY RELATED

DOL CLARIFIES STANCE ON ESG IN 401KS

In its latest Field Assistance Bulletin, the DOL warned that, "fiduciaries may not sacrifice returns or assume greater risks to promote collateral environmental, social, or corporate governance (ESG) policy goals when making investment decisions." Source: 401kspecialistmag.com

Full Article Available Here --->> <https://401kspecialistmag.com/dol-clarifies-stance-esg-401ks-sort/>

TCJA PARTICIPANT LOAN CHANGES COMPEL REVIEW OF UNCOMFORTABLE LOAN FIDUCIARY OBLIGATIONS

The Tax Cuts and Jobs Act's participant loan changes (which delay the account offset on loan defaults related to unemployment or plan termination) trigger something we would all rather not look at: the "uncomfortable" manner in which ERISA's fiduciary rules apply to loans and their administration. Source: Asppa.org

Full Article Available Here --->> <http://www.asppa.org/News/Article/ArticleID/9789/TCJA-Participant-Loan-Changes-Compel-Review-of-%e2%80%98Uncomfortable%e2%80%99-Loan-Fiduciary-Obligations>

LIKE IT OR NOT, ANNUITIES ARE COMING TO RETIREMENT PLANS

Some would argue that annuities and 401k plans should never mix. Brace yourselves, because legislation is being considered in Congress that could clear a path for more employers to offer annuity products in their retirement plans. Source: Investmentnews.com (registration may be required)

Full Article Available Here --->> <http://www.investmentnews.com/article/20180407/FREE/180409944/like-it-or-not-annuities-are-coming-to-retirement-plans>

FIDUCIARY PROPOSAL: REVENGE OF THE SEC

This article provides an overview of the core provisions of the SEC's Best Interest Package, as well as high-level observations on how it tracks or departs from the DOL's Fiduciary Rule. Source: Groom.com

Full Article Available Here --->> <https://www.groom.com/resources/fiduciary-proposal-episode-iii-revenge-of-the-sec/>
