# Raymond James Retirement Plan Monthly Newsletter

**May 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

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### How Will You Offer Value Under the Fiduciary Rule?

Abstract: In the brave new world of fee transparency that has emerged, advisors are forced to be specific about the value they offer, even as technology rears its threatening head in the form of robo-advisors. How can advisors add value and thereby justify their fees? Source: Benefitspro.com

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DOL Proposes 60-Day Delay in Fiduciary Rule

Abstract: The DOL intends to delay, and so has issued a proposed rule to amend, the first applicability date of its fiduciary rule and corresponding prohibited transaction exemptions, including the Best Interest Contract Exemption, from April 10, 2017, to June 9, 2017. The proposed 60-day delay is subject to the DOL's completing its rulemaking process. Practically speaking, the DOL's adoption of this 60-day delay seems virtually certain and should be completed before the all-important April 10, 2017, implementation date. Source: Wnj.com

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Workers Value Key Features of DC Plans

Abstract: A new study by LIMRA shows most workers understand the need to save for retirement and they prefer to do it through their employers with help from their companies. Source: Planadviser.com

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Americans' Position on Retirement Planning: The Shruggie

Abstract: After reviewing six new surveys and studies from financial services firms and the U.S. government, the author decided that Americans' position on retirement planning could be summed up in, well not a word exactly, but an emoji: The Shruggie. Source: Forbes.com

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**Fiduciary and Plan Governance Material**

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The Unfortunate Truth About Your SPD

Abstract: When it comes to benefits, Summary Plan Descriptions should be one of the most valuable tools participants have. All too often, however, SPDs are difficult to understand and hard to use. Treating your SPD as the communication tools they were originally intended to be, rather than a mechanism to protect your plan in the event of a lawsuit, can increase the value of your SPD and your benefits to you and your plan participants. Source: Findleydavies.com

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Plan Sponsors Want Help With DOL Fiduciary Duties

Abstract: Plan sponsors worry about participants suing over inferior investment choices or high fees. At the same time, they're anxious about the Labor Department or Internal Revenue Service finding fault with their plan design or processes. They want advisors who are experts on the intricacies of the laws governing retirement plans, as well as a partner to share the stressful liability. Source: Investmentnews.com (registration may be required)

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401k Fees -- Frequently Asked Questions by Plan Fiduciaries

Abstract: If you're a 401k fiduciary, you don't want to be in the dark about your plan fees. The potential consequences for paying excessive 401k fees are too great. This FAQ will answer some of the most common 401k fee questions. Source: Employeefiduciary.com

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Fiduciary Fee Reasonableness

Abstract: Fee reasonableness is a fundamental and widely discussed fiduciary topic. Despite the importance of the topic, the DOL hasn't given much insight or guidance as to what is considered a reasonable fee. As a result, much of the interpretation of what is and is not reasonable has come from the courts. As a fiduciary, it is important to turn to litigation for guidance, acknowledge how excessive fee allegations have evolved, and most importantly, to appropriately manage this risk in the future. Source: Manning-Napier.com

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**Insights: Studies, Research and White Papers**

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How Has the Shift to 401k Plans Affected Retirement Income?

Abstract: This 8-page analysis addresses how the transition from DB to DC plans affected retirement wealth and income. The results show: Total retirement wealth from employer plans was roughly flat, and this wealth is now more skewed toward those with more education; the income produced by each dollar of retirement wealth has declined, despite a tendency for workers to retire later; and, the amount of income relative to a worker's earnings has declined. Source: Bc.edu

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401k Benchmark Report

Abstract: This 32-page report examines approximately 500,000 active 401k plans. This data comes from the 2015 plan year and represents the most recent data available at the time of writing. These plans cover about 53 million eligible workers and account for about $4.1 trillion in plan assets. The goal of this research is to provide an objective, data-oriented view of different industries, how their collective 401k plans are performing, and how that compares to other industry groupings. Source: Judydiamond.com

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Shift from DB to DC Resulted in Decline in Income Replacement

Abstract: Retirement income as a percentage of wealth has declined as the employer-sponsored retirement plan landscape has been moved to mostly DC plans, a study finds. Source: Planadviser.com

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**Compliance and Regulatory Related**

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IRS Issues Guidance to Correct Defective 403(b) Plans

Abstract: The IRS recently issued guidance permitting employers to retroactively self-correct 403(b) plan document failures through March 31, 2020. In short, employers sponsoring 403(b) plans have until March 31, 2020, to "clean-up" any plan document failures that occurred during the RAP, retroactive to January 1, 2010. Source: Icemiller.com

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Retirement Policy Directions in 2017 and Beyond

Abstract: With a new Congress and a new president in Washington, how are U.S. retirement policies likely to change? Possibly quite radically, and for two main reasons. Source: Ebri.org

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Employee Benefits in the Trump Administration

Abstract: With President Donald Trump now in the Oval Office, and both the Senate and House of Representatives being now controlled by the Republican party, changes to the regulatory agencies, their mandates and focus and tax reform all come into play to impact employee benefits. Republicans now have the opportunity to set the policy agenda and to move major pieces of legislation that could significantly impact the health and retirement systems, with these being the two expenditures on the books. Source: Groom.com