

Raymond James Retirement Plan Monthly Newsletter

October 2016

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](#)

Industry Providers Encouraged to Collaborate on Portability

Sponsors Greatly Value Retirement Income

Approach 401k Eligibility Provisions Strategically

[Fiduciary and Plan Governance Material](#)

(b)lines Ask the Experts – Coverage Amount for Fiduciary Liability Insurance

A Primer on Plan Fees

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Isn't a 403(b) Plan Just Like a 401k Plan?

IRS Issues Final Rule on Requirements for Partial Annuities in DB Plans

Employing the Proper Definition of Compensation

General Items

[Industry Providers Encouraged to Collaborate on Portability](#)

Abstract: Retirement plan service providers are putting their heads together on solving retirement account portability issues. Source: PlanSponsor

[Approach 401k Eligibility Provisions Strategically](#)

Abstract: Employers who take a strategic approach to defining eligibility provisions in a 401k plan can contain benefit costs, recruit and retain talent, simplify administration, and comply with regulations. Source: Retirementtownhall.com

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[Sponsors Greatly Value Retirement Income](#)

Abstract: However, they are waiting on safe harbor guidance from the DOL before offering annuities in plans. Source: PlanSponsor

Fiduciary and Plan Governance Material

[\(b\)lines Ask the Experts – Coverage Amount for Fiduciary Liability Insurance](#)

Abstract: “I know from a prior Ask the Experts column about the difference between a Fidelity Bond and Fiduciary liability coverage, but I had a question regarding the amount of coverage. Source: PlanSponsor

[A Primer on Plan Fees](#)

Abstract: One of the many duties plan fiduciaries have is to understand the fees and expenses charged to their employer-sponsored defined contribution plan. This is a guide to the different plan fee pricing models and the steps to take to ensure fees are reasonable. Source: 401khelpcenter.com

[Are 401k 3\(38\) Services Worth the Price?](#)

Abstract: Designating a 3(38) investment advisor can be a beneficial choice for plan sponsors. But when reviewing this option plan sponsors need to determine if it is in the best interest of the participants to hire this type of advisor. This article outlines some of the advantages and disadvantages that plan sponsors should investigate when considering this option. Source: 401kspecialistmag.com

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Insights: Studies, Research and White Papers

[Study Reveals ROI From Financial Wellness Programs](#)

Abstract: An analysis of retirement plan contribution rates found that employees that improve their financial wellness score from 4 to 6, on a 10-point scale, could potentially improve their retirement plan balance by more than 27%. Source: PlanSponsor

[Ten Important Facts About 401k Plans](#)

Abstract: In 1981, the Internal Revenue Service (IRS) proposed regulations for 401(k) plans that allowed pretax contributions to be made from employees' ordinary wages and salary. In the first years of these rules, employers typically offered 401(k) plans as supplements to their defined benefit (DB) plans. More than three decades later, 401(k) plans have grown to become the most common employer-sponsored defined contribution (DC) retirement plan in the United States. Sponsor: Investment Company Institute

[Retirement Insecurity: A Multi-Generational View](#)

Abstract: Today's workers are grappling with retirement security and challenged by the wobbly three-legged stool comprising Social Security, employer-sponsored retirement benefits and personal savings. Transamerica Center for Retirement Studies has released new research evaluating the retirement outlook of American workers by generation. Source: 401khelpcenter.com

Compliance and Regulatory Related

[Isn't a 403\(b\) Plan Just Like a 401k Plan?](#)

Abstract: While both are forms of defined contribution plans and have accounts with balances that fluctuate with market changes, a 403(b) and a 401k Plan are different in many ways. This article provides information on the differences. Source: Sdflaw.com

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[IRS Issues Final Rule on Requirements for Partial Annuities in DB Plans](#)

Rather than a single-sum payment, the IRS believes many participants are better served by having the opportunity to elect to receive a portion of their retirement benefits in annuity form while receiving accelerated payments for the remainder of their benefits.

[Employing the Proper Definition of Compensation](#)

ABSTRACT: The U.S. Department of Labor (“DOL”) and the Internal Revenue Service (“IRS”) routinely report common operational failures that such agencies detect in the context of retirement plan audits and investigations. One of the operational failures that is always at or near the top of that list concerns plan sponsors failing to employ the correct definition of compensation for purposes of performing necessary compliance testing and/or determining benefit allocations. The following article is intended to briefly highlight some of the issues that can occur when the incorrect definition of compensation is employed as well as to provide an explanation of some of the differences between the most commonly employed definitions of compensation.

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