

# Raymond James Retirement Plan Monthly Newsletter

**September 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.

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This 401k Default Rate May Soon Be the New Standard

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The Danger of Wishful Thinking: Don't Avoid Plan Self-Audits

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## **General Items**

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### [This 401k Default Rate May Soon Be the New Standard](#)

Abstract: Recognizing that a 3% default rate for 401k participation just isn't cutting it any longer, a growing number of employers are setting their default rates much higher. In fact, they're doubling that 3% figure. Source: Hrbenefitsalert.com

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### [Four Steps Towards Establishing a Small Business Retirement Plan](#)

Abstract: A recent survey found that 26% of small business owners aren't confident about their retirement savings. Establishing a retirement plan is key to retirement confidence. Article provides some practical steps to move you towards establishing a retirement plan. Source: 401khelpcenter.com

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## [DC Plan Participants Would Appreciate a Savings Nudge](#)

Abstract: Defined contribution (DC) retirement plan participants strongly value their workplace retirement plan and would like to see their employers do more to help them save because, looking back on their savings history, they regret not doing more to prepare for retirement. These were the main findings of an American Century Investments survey of 1,504 full-time workers conducted by Matthew Greenwald in the first quarter. Sponsor: PlanSponsor

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## **Fiduciary and Plan Governance Material**

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## [TPAs Supporting Plan Design](#)

Abstract: Just one among the many difficult aspects of learning to run a retirement plan is coming to appreciate the sometimes subtle, but clearly critical, differences between a recordkeeper and a third-party administrator (TPA), a task made all the harder by the near-constant evolution in business models, technology and client service preferences. Article reviews the differences and why plan fiduciaries turn to TPAs for help with plan design and administration. Source: Plansponsor.com

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## [Ten Fiduciary Duties](#)

Abstract: Because of a number of factor including the recent class action lawsuits and a new focus by the Department of Labor and Internal Revenue Service on a number of issues including fees, plan sponsors need to be more vigilant. They also should take proactive steps to ensure that all plan fiduciaries have a good understanding of their obligations in overseeing the company's retirement plans. Here is a general overview of fiduciary duties and responsibilities. Source: 401khelpcenter.com

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## Insights: Studies, Research and White Papers

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### [Annual Benchmarking Report Released](#)

Abstract: T. Rowe Price Retirement Plan Services, Inc. has released the latest version of Reference, an annual benchmarking report based on T. Rowe Price's full service recordkeeping client data. This report provides plan sponsors the ability to review retirement plan trends and plan participant behavior patterns to help them make more informed plan decisions. Source: 401khelpcenter.com

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### [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

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### [Plan Participants Still Not Confident in Their Approach to Investing](#)

Abstract: J.P. Morgan Asset Management today released proprietary findings from its fourth research study of plan participants. The resulting white paper, "Guiding Participants from Intent to Action: 2016 Defined Contribution Plan Participant Survey Findings," reveals: Many participants are still not confident in their approach to saving and investing. Source: 401khelpcenter.com

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## Compliance and Regulatory Related

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### [Which Plans Are Targeted for Regulatory Review?](#)

Abstract: Despite the plethora of recent headlines about excessive fee lawsuits, regulatory audits, not litigation, is cited as a key risk in a recent plan sponsor survey. Large plans appear to be particularly targeted, but a certain type of plan design seems to be drawing a particularly high level of scrutiny. Source: Napa-net.org

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### [\(b\)lines Ask the Experts – Are Governmental Plans Free From ERISA-Like Regulations?](#)

Abstract: “To me, ERISA is an important regulatory framework for corporate and other plan sponsors to follow that mandates that such sponsors be prudent in administering such plans. Are governmental plans free from ERISA-like prudence requirements?” Sponsor: PlanSponsor

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### [The Danger of Wishful Thinking: Don't Avoid Plan Self-Audits](#)

Abstract: In a survey by Willis Towers Watson, nearly one third of the respondents reported that their retirement plans had been audited by the IRS or the Department of Labor. Roughly half of employers with at least 25,000 employees said they had been audited in the last two years. So why do we have so much difficulty convincing some plan sponsors and fiduciaries to prepare by reviewing their own plans first? Source: Cohenbuckmann.com