

May 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

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General Items

Better Reaching and Serving Participants

Abstract: A new report asserts that today's consumers do not want "communication," they want personal guidance. They want to do things when, where and how they prefer. They want things easy and convenient. And they want the whole experience to be enjoyable. Source: Asppa.org

Bigger Retirement Plan Providers Aren't Always Better

Abstract: When companies select a DC retirement plan provider, size is often a factor. Many plan sponsors choose a large, household name. Sponsors assume these companies, with their heritage, national reach and deep resources, can provide everything plan sponsors and participants need. But that is not always the case. Source: Wealthmanagement.com

[More Than Zero: 401ks Will Feel Fed's Rate Hike](#)

Abstract: The economy is getting better, and so after seven years of near zero percent interest rates, the Federal Reserve raised its benchmark rate. For human resources professionals, the interest rate hike might alert some employees wanting to know what that means for their organization's retirement accounts. Article provides some thoughts. Source: Workforce.com (registration may be required)

Fiduciary and Plan Governance Material

[Why the Retirement Fiduciary Cannot Ignore Age Longevity](#)

Abstract: In an interview with Fiduciary News' Chris Carosa, Joe Coughlin, Ph.D., founder and Director of the Massachusetts Institute of Technology AgeLab, explains that while the future business of retirement planning will include the traditional core services of ensuring financial security, it will also bring the addition of an entirely new generation of advisory services. Source: Asppa.org

[Fiduciary Log Report](#)

Abstract: In the event of a Department of Labor or IRS audit, it's important to have detailed documentation to prove you've followed the rules of your plan and those outlined by ERISA. This log report provides space to record the activities you complete in 2016 for your company's defined contribution plan. Source: Principal.com

[Ready or Not? Readers Weigh in on Fiduciary Regulation](#)

Abstract: With the ink still wet on the Labor Department's fiduciary regulation, NAPA Net readers were still of a mixed mindset on the impact and how it would change the way they do business. Source: napa-net.org

Insights: Studies, Research and White Papers

[Lawsuit Against IRS Over VCP Administration Advances](#)

Abstract: A lawsuit brought against the IRS over its handling of a company's application to fix errors under the agency's Voluntary Compliance Program (VCP) is advancing. Source: Asppa.org

[DOL Secures Fiduciary to Distribute Nearly \\$1M to Participants](#)

Abstract: The U.S. Department of Labor has secured a consent judgment appointing an independent fiduciary to oversee the 401k of a now defunct biopharma company, which failed to take the appropriate steps to terminate its 401k plan. Source: Planadviser.com

[What Is a Prohibited Transaction?](#)

Abstract: The term "prohibited transaction" is actually quite complex and the author provides a good basic overview of the type of transactions that qualify. Source: Plansponsor.com

Compliance and Regulatory Related

[How Do We Self-Correct a Failure to Enroll a New Employee in Our 401k Automatic Contributions?](#)

Abstract: Article answers the question, "Our 401k plan uses the ADP safe harbor design under Code § 401(k)(13).... We have procedures in place to automatically enroll each new employee, but due to an administrative error, one new employee was not enrolled for an entire calendar year. How do we self-correct this failure?" Source: Thomsonreuters.com

[When ADP/ACP Testing Fails, 401k Fiduciaries Should Understand Their Options](#)

Abstract: Although approximately 30% of 401k plans subject to ADP/ACP testing fail, it's an outcome most businesses want to avoid. Article reviews steps a 401k fiduciary can take to do that. Source: [EmployeeFiduciary.com](#)

[401k Match True-Up Explained](#)

Abstract: When matching contributions are funded each payroll period, but are required to be recalculated annually, a "true-up" calculation is needed. This is a short review of the process with an example. Source: [5500audit.com](#)

[IRS Proposes Regulations Limiting New Comparability Allocations](#)

Abstract: The IRS recently proposed regulations that, if finalized, may have drastic effects on plans with new comparability allocation formulas and individual allocation groups. The regulations would make it harder for affected plans to pass nondiscrimination testing and would increase costs for employers maintaining such plans. Source: [Ascensus.com](#)

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