

# Fiduciary Insights Newsletter

April 2022

Timely updates on the retirement industry



Welcome to Fiduciary Insights, the monthly newsletter that keeps you in touch with issues and trends that employers need to know about the retirement plan industry. The articles have been carefully selected from a variety of quality sources.

## General Items

### Further Retirement Policy Reforms Possible in 2022

As the director of policy at Principal Financial Group, Lance Schoening has spent a substantial portion of his professional life in Washington, D.C. During a recent interview with PLANSPONSOR, Schoening pointed to multiple pieces of legislation already on the table and suggested more proposals could come ahead of the midterm elections, all in time for passage during the lame-duck session at the end of the year. Source: Plansponsor.com

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### Retirement Savers Show Confidence in Current 401(k) Model

A recent ICI survey found that a majority of Americans dislike the idea of government-controlled investment options and are confident in their ability to make their own asset management decisions. Source: Planadviser.com

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### Advisers Can Help Women Add to Growing Retirement Confidence

Women are showing more confidence about their retirement readiness and in managing their finances, amidst the ongoing pandemic, according to research from two financial institutions. The Nationwide survey shows that women with investable assets of \$100,000 or more who are primary or shared decision-makers regarding financial planning are pivoting to approach finances more proactively and want help with strategies to reach financial goals. Source: Planadviser.com

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## Fiduciary & Plan Governance Material

### On The Hunt For Good Fiduciary Processes? What To Do After The Supreme Court Decision in Hughes

The Supreme Court recently handed down its eagerly-awaited decision in Hughes v. Northwestern University. Plan sponsors and 401k and 403b plan administrators had hoped the decision would create clearer pleading standards to free them from the endless line of ERISA class actions alleging fiduciary malfeasance when selecting investment menus and plan service providers. It didn't and now those fiduciaries have some more thinking to do. Source: Cohenbuckmann.com

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### The Mistakes Employers Should Avoid When Starting a 401(k) Plan

Being a retirement plan sponsor is a big deal when you factor in the responsibility of being a plan fiduciary, so it's important that the employer gets on the right foot and avoids making these mistakes when starting a 401k plan. Source: Jdsupra.com

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### How To Shoot Yourself In The Foot With Your SPD

Benefit plan sponsors sometimes send out Summary Plan Descriptions having given too little thought to the legal consequences. Two recent cases illustrate how an organization can end up in serious and costly litigation based on statements that did not have to be made in SPDs that did not have to be issued. Source: Verrill-law.com

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## Insights: Studies, Research & White Papers

### The System Still Fails Small 401(k) Plans

Anybody who has investigated the 401k system realizes that big organizations have the clout to demand and receive discounts from 401k providers, while smaller firms usually take what they are given. However, figures recently gathered through an exhaustive study of Form 5500 filings are striking. Source: Morningstar.com

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### Defined Contribution Plan Profile: A Close Look at ERISA 403(b) plans, 2018

This 68-page report focuses on ERISA 403b plans in 2018. It first analyzes 403b plans in the Department of Labor 2018 Form 5500 Research File. Focus then shifts to more than 6,200 audited 403b plans in the BrightScope Defined Contribution Plan Database, which typically have 100 participants or more. Source: ICI.org

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### Retirement Policy: Aligning Plan Design With Effective Employee Engagement

This 10-page paper addresses how retirement program design can impact decisions that participants make to improve retirement security. Most defined contribution retirement plans, such as 401k plans, leave important and sometimes complex choices to the individual. Underlying the DC retirement plan structure is the assumption that individuals are equipped to make decisions in their own best interests, and that they will do so. However, this assumption might not always be accurate, especially if individuals lack the resources and/or knowledge needed to make informed choices. Source: Actuary.org

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## Compliance & Regulatory Related

### Voluntary Correction Program Checklist

This article looks at another critical issue for employers, the need to deposit participant 401k contributions in the plan's trust or custodial account in a timely manner, and what to do when they aren't. Source: Foley.com

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### IRS Revamps Minimum Required Distribution Rules

At long last, the Internal Revenue Service issued proposed regulations under Code section 401(a)(9) that take into account the major changes made by the SECURE Act, and make other conforming changes to the eligible rollover rules. Compliance with these rules will pose challenges of every type, communications, system redesign, and plan documentation to name the major ones. This article highlights the major changes. Source: Groom.com

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### DOL Compliance Notice Warns Against Crypto Risks

The DOL's Compliance Assistance Release No. 2022-01 urges plan fiduciaries to exercise "extreme care" before they consider adding a cryptocurrency option to a 401k plan's investment menu. Source: Planadviser.com

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