

Fiduciary Insights Newsletter

January 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

Bipartisan Disaster Retirement Savings Act Introduced

The bipartisan Disaster Retirement Savings Act, introduced by Reps. Mike Thompson and Mike Kelly, who both sit on the tax-writing House Ways and Means Committee, would help survivors of natural disasters by allowing them to withdraw funds from retirement accounts to cover the unexpected and emergency costs related to disasters without incurring fees or penalties. Source: Napa-net.org

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TCRS Study Suggests Substantial Retirement Risks Remain

If your business sponsors a 401k or other retirement plan, it is governed by a lengthy plan document, often a separate trust agreement or custodial account agreement, and multiple other documents. Not surprisingly, most plan sponsors get something wrong somewhere along the way, whether it's concerning the plan document or the operation of the plan. Here are five reasons why taking prompt action to correct plan errors is in the best interests of your business, and your employees. Source: Eforerisa.com

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Five Good Reasons To Correct Retirement Plan Errors

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Fiduciary & Plan Governance Material

The Best Way A 401(k) Plan Sponsor Can Avoid Headaches? Hire The Right TPA

The most important step that plan sponsors can take in avoiding needless plan errors that can cost them in the pocketbook is by hiring the right third-party administrator. Here's why. Source: Jdsupra.com

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DOL Guidance On Cybersecurity: A Cautionary Note For Plan Sponsors

The DOL's cybersecurity best practices for plans covered by ERISA makes it clear that plan sponsors, service providers, and participants share responsibility for protecting plan accounts. The adoption and implementation of ERISA cybersecurity policies and procedures will be your best defense against fiduciary litigation and DOL investigations, which are certain to arise in the wake of the DOL's guidance. Here are some tips. Source: Troutman.com

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Mistakes You Should Avoid When Dealing With an IRS/DOL Audit

Plan sponsors tend to focus on the wrong things. One of the biggest dangers to them and their pocketbook is an audit by the Internal Revenue Service or the Department of Labor. Yet most act nonchalantly about it. The problem is they make mistakes and this article is all about warning you not to make them. Source: Jdsupra.com

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Insights: Studies, Research & White Papers

Justices Settle Into Opposing Camps On Duties Of Retirement Plan Sponsors

The author writes, "Despite the benign but misleading rhetoric about enhancing retirement security for everyone, the real beneficiaries of the retirement-reform legislation have been higher-income earners, who would save for retirement even without tax subsidies, and the financial-services industry, whose lobbyists have driven the retirement-reform legislative agenda." Source: Ssrn.com

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CITs, Retirement Income Products & ESG Investing Poised For Growth

As registered investment adviser aggregator firms continue to acquire smaller players in the defined contribution space, investment managers are starting to take notice of their growing influence in deciding DC plan investments, a recent study suggests. There has been a shift in distribution dynamics as many RIA firms look to centralize their investment analysis and research. Source: Plansponsor.com

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A Compendium Of Findings About The Retirement Outlook of U.S. Workers

Since 1998, Transamerica Center for Retirement Studies has conducted this national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest-running and largest national surveys of its kind. This document is 320-pages. Source: Transamericainstitute.org

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Compliance & Regulatory Related

Expect More Difficulty Obtaining Fiduciary Insurance

Increasing retirement plan-focused litigation has put insurance carriers and fiduciary service providers in difficult positions. In this article published in PLANSPONSOR, McDermott Partner Erin Turley said such litigation continues to be a "major focus" in the fiduciary insurance marketplace. "It is a challenging market right now, to the point that we are looking at trying to think about ways that insurance products might be differently structured, to address what we hope will only be a short-term tightening in the market." Source: Mwe.com

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IRS Expects 403(b) Plan Sponsors To Collect Information About Employees' Outside Employment

In a recent "Issue Snapshot" about how the annual limit on retirement plan contributions under Section 415(c) of the Internal Revenue Code applies to 403b plans, the IRS revealed that it expects 403b plan sponsors to maintain procedures to inform employees about Section 415(c)'s special aggregation rule for 403b plans and to collect information from employees about outside employment and retirement plan contributions. Source: Verrill-law.com

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The 2022 Retirement Legislation Landscape Takes Shape

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