

Fiduciary Insights Newsletter

December 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.

HOT OFF THE PRESS

Midterm Election Results Could Delay SECURE 2.0

Big changes are ahead for the U.S. retirement system that will shape how employers offer benefits and how employees save for their post-work years.

[Read Full Article](#)

General Items

Bipartisan Retirement Savings Bill Foreshadows Post-Secure 2.0 Debate

Senate and House members introduce a measure that would establish retirement accounts for low- and middle-income workers not covered by an employer plan. Source: Investmentnews.com

[Read Full Article](#)

More Hackers Going After Retirement Savings, Experts Say

Employer retirement accounts are facing increasingly sophisticated attacks by hackers looking to get a slice of worker savings, and cryptocurrency investing is particularly at risk for scams, according to two financial-focused cybersecurity experts. Source: Planadviser.com

[Read Full Article](#)

Six Obstacles to Retirement Income Adoption

Ironically, programs designed to provide retirement income pay so little attention to the realization of that objective. Still, some have said that this could be the year for retirement income -- a combination of new offerings, volatile markets, and rising interest rates -- and yet, it still seems that there are obstacles to overcome. Here are six. Source: Napa-net.org

[Read Full Article](#)

Fiduciary & Plan Governance Material

The Secret(s) to a Good TPA Partnership

For years, one of the most persistent barriers to the smooth and efficient operation of many 401k plans has been the nature of the working relationship between the plan's advisor and its third-party administrator, or TPA. Source: Napa-net.org

[Read Full Article](#)

A Checklist Renewal For Your Retirement Plan Fiduciary Insurance Renewal

In response to the continued proliferation of lawsuits against retirement plan fiduciaries, fiduciary liability insurers are raising rates, limiting coverage, and expanding their due diligence of fiduciary processes. This article provides a checklist that includes tips and best practices for policyholders to ensure they are in a strong position to obtain retirement plan fiduciary coverage when it comes time to review and avoid coverage denials when it comes time to pay benefits. Source: Bradley.com

[Read Full Article](#)

End of Year 2022 Tips for Retirement Plan Sponsors

As a retirement plan sponsor, you have the fiduciary responsibility to look over your plan and part of looking over the plan is preparing for the future. This article is about what end-of-year planning you as a plan sponsor should be doing in maintaining and improving your retirement plan for the coming new year. Source: Jdsupra.com

[Read Full Article](#)

Insights: Studies, Research & White Papers

DC Plan Sponsors Prevail in Two Recent Stock-Drop Rulings

Two different federal appeals courts recently upheld the dismissal of lawsuits challenging the prudence of employee stock ownership plan offerings in DC plans. Both of these stock-drop cases involved allegations that plan fiduciaries -- who were corporate insiders privy to nonpublic information about the sponsor -- breached their ERISA duties by failing to take appropriate action based on that information. In each case, the court ruled that plaintiffs hadn't met the pleading standard set by the Supreme Court in Fifth Third Bancorp v. Dudenhoeffer. Source: Mercer.com

[Read Full Article](#)

DOL Issues Final ESG and Proxy Voting Rule

The DOL released a rule on Nov. 22, 2022, that clarifies fiduciary responsibilities under ERISA for selecting investments and exercising shareholder rights such as proxy voting. The regulation, titled "Final Rule on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights," is summarized here. Source: Callan.com

[Read Full Article](#)

401(k) Plan Matching Contributions: To True Up or Not True Up?

As a matter of plan design, for purposes of matching contributions, some 401k plans provide that a participant's compensation for the entire plan year is taken into account, while other 401k plans take into account a participant's compensation only for payroll periods for which the participant makes elective deferrals. The former design is commonly referred to as a "true up" feature. This article illustrates, through examples, each design, and addresses why a plan sponsor might choose one design over the other. Source: Verrill-law.com

[Read Full Article](#)

Compliance & Regulatory Related

2023 ERISA Plan Compliance Calendar

Being a retirement plan sponsor involves juggling many tasks, one of the more important is to make sure your plan complies with all pertinent federal legislation and regulations. A compliance calendar like this one helps you keep track of your company's required filings, their due dates, and related details so you can avoid incurring any fines or other penalties for late filings or missing information. Source: Plansponsor.com

[Read Full Article](#)

DOL Announces Form 5500 Changes

The DOL announced changes to Forms 5500 and 5500-SF (short form) and released updated instructions on December 8. The DOL updates Form 5500 annually to keep it up-to-date with various regulatory changes. Every defined contribution and pension plan sponsor is required to file a 5500 to the IRS and DOL annually. Source: Plansponsor.com

[Read Full Article](#)

Informal DOL Guidance Addresses PEP Bonding Requirements

An information letter recently released by the Department of Labor addresses the application of ERISA's bonding requirements to a pooled employer plan established under the SECURE Act. Source: Napa-net.org

[Read Full Article](#)

This material is for informational and educational purposes only and is not intended to provide, and should not be construed as, or relied upon for, tax, legal, investment or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction, including, for example, establishing a retirement plan for your company or retaining a service provider for your company's retirement plan.