Journal of Collective Bargaining in the Academy

Volume 0 National Center Proceedings 2018

Article 21

April 2018

Employee Retirement Plans and Alleged Breaches of Fiduciary Obligations (CLE)

Allie Rivera Strategic Retirement Group

Follow this and additional works at: https://thekeep.eiu.edu/jcba



Part of the Collective Bargaining Commons, and the Higher Education Commons

Recommended Citation

Rivera, Allie (2018) "Employee Retirement Plans and Alleged Breaches of Fiduciary Obligations (CLE)," Journal of Collective Bargaining in the Academy: Vol. 0, Article 21.

DOI: https://doi.org/10.58188/1941-8043.1764

Available at: https://thekeep.eiu.edu/jcba/vol0/iss13/21

This Proceedings Material is brought to you for free and open access by the Journals at The Keep. It has been accepted for inclusion in Journal of Collective Bargaining in the Academy by an authorized editor of The Keep. For more information, please contact tabruns@eiu.edu.

Rivera: Employee Retirement Plans and Alleged Breaches of Fiduciary Oblig

EXECUTING BEST PRACTICES IN HIGHER EDUCATION RETIREMENT PLANS

April 16, 2018

Presented by Strategic Retirement Group, Inc.

FIDUCIARY OVERSIGHT

Governance	Investment Policy	Utilization of Advisors
 □ Board resolution □ Establish Committee □ Committee Bylaws □ Defined roles □ Regularly scheduled meetings □ Meeting minutes 	 Written guidelines in place Goals/objectives Procedures for selecting/replacing funds Addresses QDIA Target Date Fund selection and monitoring Indemnifications 	 □ Independent/objective □ 3(38) or 3(21) Fiduciary □ Defined roles and responsibilities □ Written contract □ No conflicts of interest
Fiduciary Process	Investment Menu	Investment Communication
Fiduciary Process ☐ Annual review of investment policies ☐ Ongoing monitoring of investments/fees ☐ Fee benchmarking and RFPs ☐ Fiduciary education and training	Investment Menu ☐ Opportunity to maximize gains ☐ Sufficient diversification ☐ Provide ability to minimize risks of large losses ☐ 404(c) compliance	 Investment Communication Investment fact sheets Education program documented annually Required participant notices Participant fee disclosure

A sound fiduciary process helps manage risk to the organization and personal risk to executives and Board members

https://thekeep.eiu.edu/jcba/vol0/iss13/21 DOI: 10.58188/1941-8043.1764



TRENDS IN HIGHER EDUCATION



Automatic enrollment and automatic escalation



Shift from multi-provider arrangements to single, exclusive provider relationship



Expanded employee eligibility (e.g. including adjunct faculty/part-time staff)



Policies to equalize recordkeeping expenses across participants



Use of plan advisors



Adoption of Investment Policy Statements



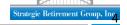
Aligning features with corporate plans

BEST PRACTICES

- 1. Update fiduciary structure and process
- 2. Conduct periodic fiduciary training
- 3. Conduct and document quarterly due diligence meetings
- 4. Review plan documents and agreements
- 5. Identify and implement administrative efficiencies
- 6. Consolidate plans, if applicable
- 7. Benchmark plan features against industry and regional peers
- 8. Negotiate administrative fees
- 9. Conduct provider competitive bidding process, if appropriate
- 10. Consolidate to single provider arrangement, if applicable
- 11. Freeze individual annuity contracts, if applicable
- 12. Upgrade plan investment menu and default investment option
- 13. Replace any underperforming funds and add low-cost index funds
- 14. Change funds to least expensive/most efficient share class and implement fee leveling

https://thekeep.eiu.edu/jcba/vol0/iss13/21

DOI: 10.58188/1941-8043.1764





Allie C. Rivera, CFA
Senior Consultant & Director of Investment Consulting
arivera@srg-consulting.com
914-220-6192

Allie is a Senior Consultant and Director of Investment Consulting for Strategic Retirement Group. Allie is responsible for SRG's investment process which includes thoughtful and rigorous due diligence of investment managers, disciplined oversight of 403(b) and 401(k) investment menus, and ongoing analysis of economic conditions and other external factors impacting retirement plans. In addition to managing the investment process, Allie meets regularly with plan sponsors to ensure fiduciary responsibilities are being met and plan features are being optimized. Prior to joining SRG in 2014, Allie gained retirement plan consulting experience as an analyst at Katz, Zlotnick & Associates where her primary responsibilities included investment due diligence and plan benchmarking projects. In 2012, Allie graduated from Gettysburg College with a BA in Mathematics and in 2013, she passed the CFP examination. Allie has been a CFA® charterholder and a member of the CFA Institute since 2016. She holds FINRA Series 7, 63 and 65 registrations.

DISCLOSURES

This document attempts to provide only broad general guidelines and information that can be used to help you shape your employee retirement benefit plan. The charts and other data contained in this document shall be dependent upon the quality and accuracy of plan information supplied by service providers, investment firms and reporting companies. All information and opinions will be for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The information will not assess the suitability, or give any assurance about the potential value, of any particular investment.

All information and opinions are for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. All calculations are estimates only and are not guaranteed against market gains or losses. The type of securities mentioned may not be suitable for everyone. Each investor needs to review a security transaction for his or her own particular situation. This information does not assess the suitability, or give any assurance about the potential value, of any particular investment. Data contained here is from what are considered reliable sources; however, neither Strategic Retirement Group guarantees its accuracy, completeness, and/or reliability. Prospectuses containing complete information including management fees, charges, and expenses for mutual funds have been provided. Please read the prospectuses carefully before investing. Of course, when you are investing in mutual funds, there is no guarantee that a fund's investment objective will be met, and you should understand that the principal value of mutual fund investment will fluctuate and may be worth more or less than your original purchase price. Past performance of any investment product does not guarantee future results.

Your attorney and accountant should be consulted regarding legal and tax implications.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Strategic Retirement Group, Inc., a Registered Investment Advisor and separate entity from LPL Financial.