



FIDUCIARY OVERVIEW

What Does the New Fiduciary Rule Mean for Plan Sponsors and Committee Members?

Fiduciary Rule Background

Several articles have been written lately about the new fiduciary rule and its affects on plan sponsors and those working in the ERISA and retirement field.

Essentially, the new fiduciary rule doesn't expand or change you're responsibilities. Currently, if you exercise discretion over or have responsibility for the management of the plan you are a fiduciary. Under the new rule, fiduciaries remain subject to ERISA's fiduciary obligations, including prudence and duties of loyalty. Failure to act accordingly to fiduciary obligations can be considered a breach of fiduciary duties. Failure to follow these rules could be considered a prohibited transaction and can result in civil and criminal penalties.

The mission of the Co-op 401(k) Plan Fiduciary Board is to enhance the long-term financial security of employees of the cooperative system throughout the country by arranging for high quality and reasonably-priced retirement savings vehicles.

Understanding Your Obligations

The Co-op 401(k) Plan provides several advantages in assisting plan sponsors to mitigate their business and personal risk, including:

- Plan oversight by the Co-op 401(k) Plan Fiduciary Board (a named fiduciary)
- Outsourced trustee services to the Charles Schwab Trust Company (a co-fiduciary)
- Retention of legal counsel (Fox Rothschild LLP)
- Investment oversight in consultation with the Plan's ERISA investment counsel, Advanced Capital Group (a named fiduciary)
- Outsourced administration and recordkeeping (Milliman, Inc.)
- Written Investment Policy Statement
- Outsourced compliance testing and government reporting
- Comprehensive participant communication and education services
- Detailed reporting tools
- Coordination and project management with your independent auditor (if required)
- Documented processes for compliance with ERISA

Best Practices

A common question we receive is “What do I need to keep in my files?” Below is a list to consider and also keep the location and date of listed items. *(Also provided by the Co-op 401(k) Plan Fiduciary Board)

PLAN PROCEDURE AND MEETING NOTES

- Committee Meeting Minutes*
- Board Resolutions

PARTICIPANT COMMUNICATIONS

- QDIA Notice, if applicable
- Participant Fee Disclosure (404(a)(5))
- Safe Harbor Notice, if applicable
- Participant Plan Materials*
- Fund Change Notices
- Participant Correction Notices, if applicable

POLICY STATEMENT

- Investment Policy Statement*
- Education Policy Statement

VENDOR CONTRACTS

- Record-keeper Contract*
- Investment Advisor Contract*

BONDING & FIDUCIARY INSURANCE

- Copy of ERISA Fidelity Bond Policy
- Copy of Fiduciary Insurance Policy

PLAN DOCUMENTS

- Plan Document — Adoption Agreement
- Plan Document — Base Document
- Board Resolution and Minutes
- Summary Plan Description
- Summary of Material Modifications
- Summary Annual Reports (last 6 years)
- DOL Determination Letter
- Plan Correction Memos, if applicable
- Government Reporting
- IRS Form 5500 & Schedules (last 6 years)
- Audited Financial Statements (Large Plan Audit, if applicable)
- Annual Plan Compliance Testing

Our Guiding Principles

1. We will prioritize and allocate time to topics that support our mission and continuously engage in strategic thinking to set the Plan's direction.
2. We will promote strong ethical values by establishing appropriate mechanisms for active Plan oversight.
3. We will put the interest of the local cooperative employees above personal benefit when making decisions.
4. We will treat all members with respect and professionalism.

For more information about our services or products, call 608.400.6698 or visit **coop401kplan.com** or **MillimanBenefits.com**.

