



What Hat Are You Wearing?

The Importance



To better understand what role each person plays in the management of a 401(k) plan, we have to understand that there are many decisions to make. And, each decision requires the maker to take on a different role, or wear a different hat. But what hat should you be wearing for each decision? Let's take a look at each role.

Understanding retirement plan decision making

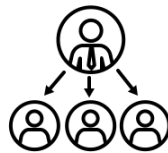


Settlor

Makes business decisions about the design of the plan.

Role Functions

- Sponsoring a plan
- Changing a plan
- Determining what benefits to offer
- Deciding employer contributions to the plan
- Terminating a plan



Fiduciary

Ensures that the implementation and management of the plan is in the best interest of the plan's participants and beneficiaries.

Role Functions

- Managing plan operations
- Managing plan assets
- Offering investment advice about plan funds
- Carrying out the fiduciary responsibilities of the Plan Administrator
- Determining plan service providers and ensuring fees paid by the plan are reasonable.



Day-to-Day Administration

Ensures that the plan is administered according to the regulations and plan design documents.

Role Functions

- Carrying out the non-fiduciary responsibilities of plan administration
- Enrolling employees
- Responding to questions and concerns from participants
- Communicating participant rights and responsibilities
- Dispersing payments to participants when they're due

performance-driven retirement plan management