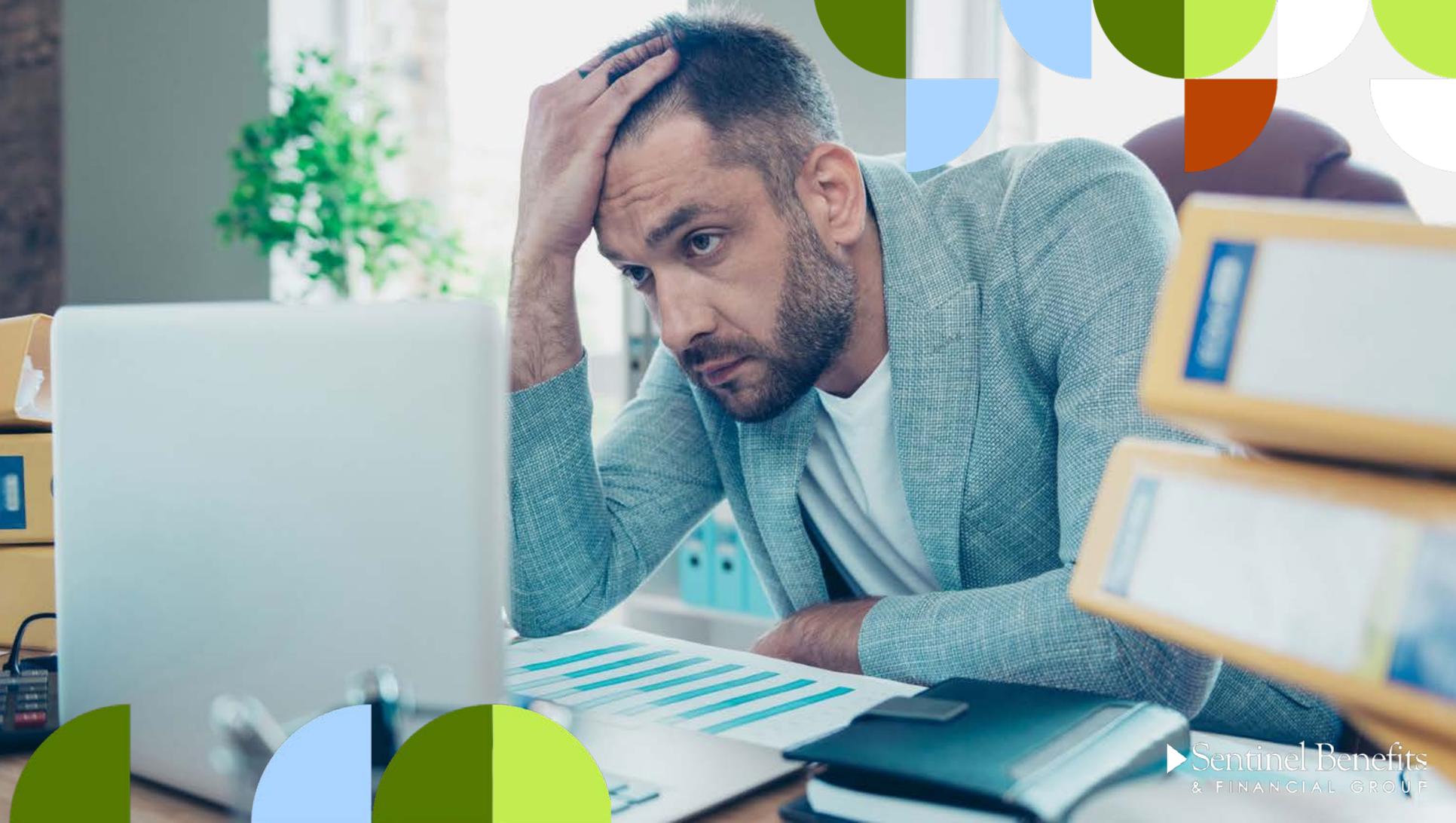


2020 RISKY BUSINESS

Risky Business: Mistakes to avoid in your company's retirement plan

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Advisory services offered through Sentinel Pension Advisors, Inc., an SEC-registered investment advisory company. Sentinel Benefits & Financial Group is the brand name for the Sentinel family of companies, which includes Sentinel Pension Advisors, Inc.



“

*A whole ecosystem
of different types
of litigators, claims
and defendants
has developed.*

”

— Jamie Fleckner,
Partner with Goodwin Procter





The SECURE Act

MANDATORY:



The required minimum distribution age increases to 72, up from 70 1/2



Inherited retirement account distributions must now be taken within 10 years



Long-term part-time employees will now be eligible for 401(k) plans

OPTIONAL:

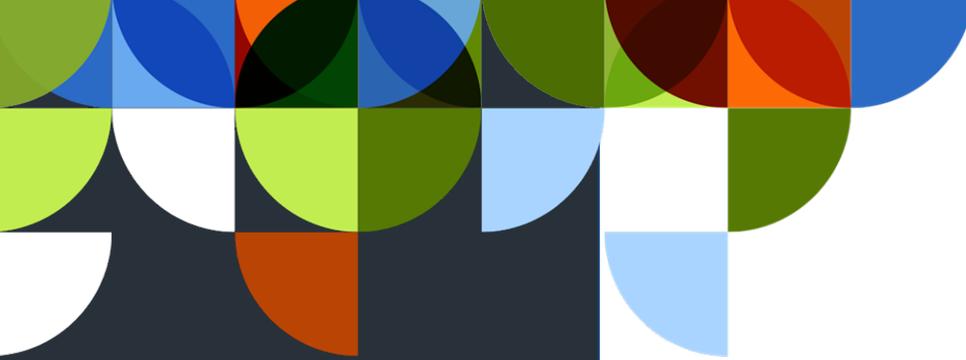


Ability to offer penalty free withdrawals for birth/adoption



Allows reduction in age for in-service withdrawals in pension plans





SECURE Act Implications



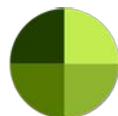
Safe Harbor changes



Plan adoption timing



Tax credits



Lifetime income options

Retirement Plans are Complex



fi·du·ci·ar·y

/fə'd(y)ooSHē,erē,fə'd(y)ooSH(ə)rē/

noun

Someone acting in a position of trust
on behalf of, or for the benefit of, a
third party





**CAUTION
WET FLOOR**

So, you're a
Fiduciary...what
does that mean?



A fiduciary may be held **personally liable** for their breaches and those of co-fiduciaries



Plan Expenses



Prudent Person
Standard



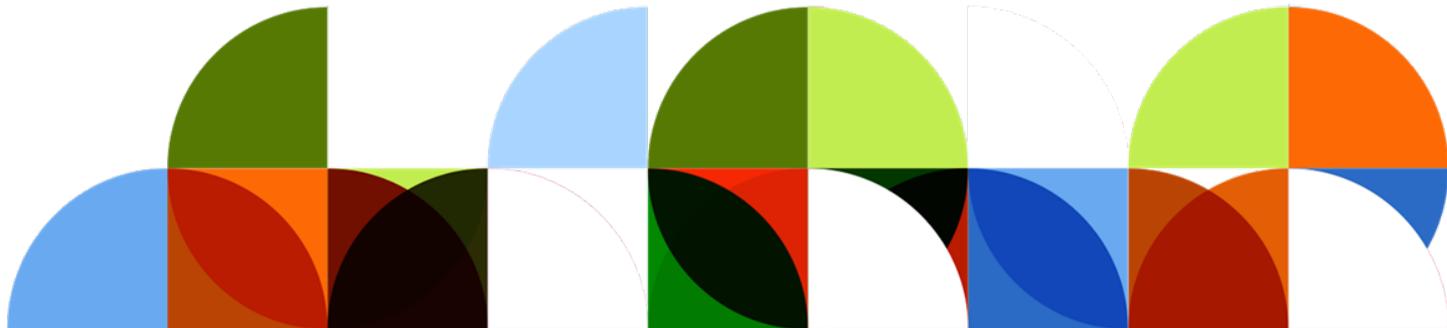
Exclusive
Benefit Rule

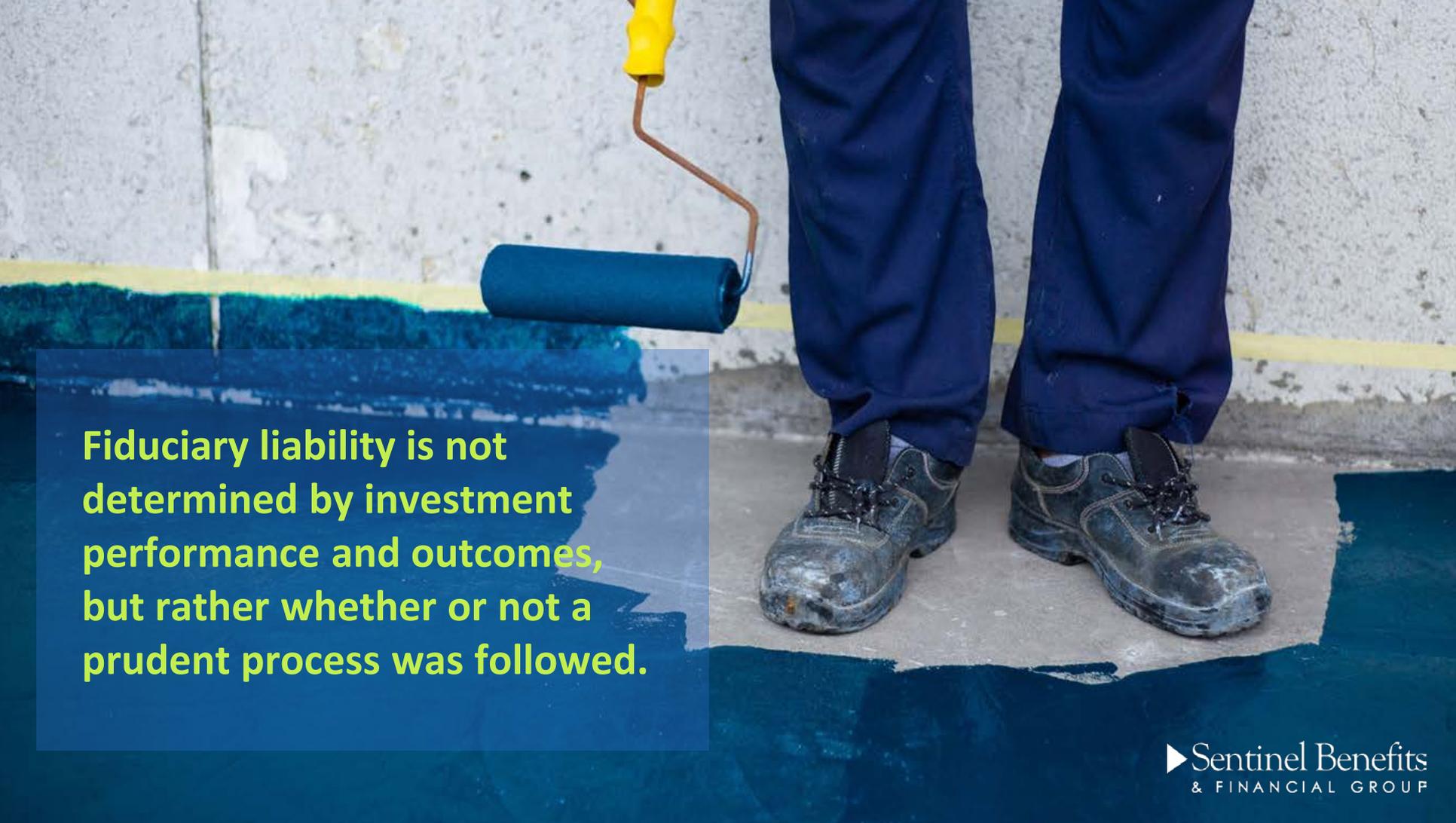


Adherence to
Plan Documents



Diversify to
Minimize Risk



A person wearing dark blue pants and worn-in black work boots is painting a light-colored wall with a blue roller. The roller is positioned horizontally, and a yellow caution tape is visible on the wall. The floor is partially covered with blue paint.

Fiduciary liability is not determined by investment performance and outcomes, but rather whether or not a prudent process was followed.



Common Mistakes to Avoid



Not understanding who is a fiduciary and what those responsibilities entail



Lack of prudent process and documentation on plan investment changes



Not reviewing service providers and failing to evaluate fees



Failure to follow IPS



Not adhering to the plan document



Conflicts of interest





1

The Fidelity bond provides coverage for the plan and its beneficiaries

2

Fiduciary Liability Insurance protects plan sponsors and trustees



More Mistakes to Avoid



Not using the definition of compensation that is in the plan document.



You **must** remember to change payroll if you change your plan definition of compensation





Staying on top of legislative changes

Sentinel Tools & Resources



WEBINARS



ALERTS



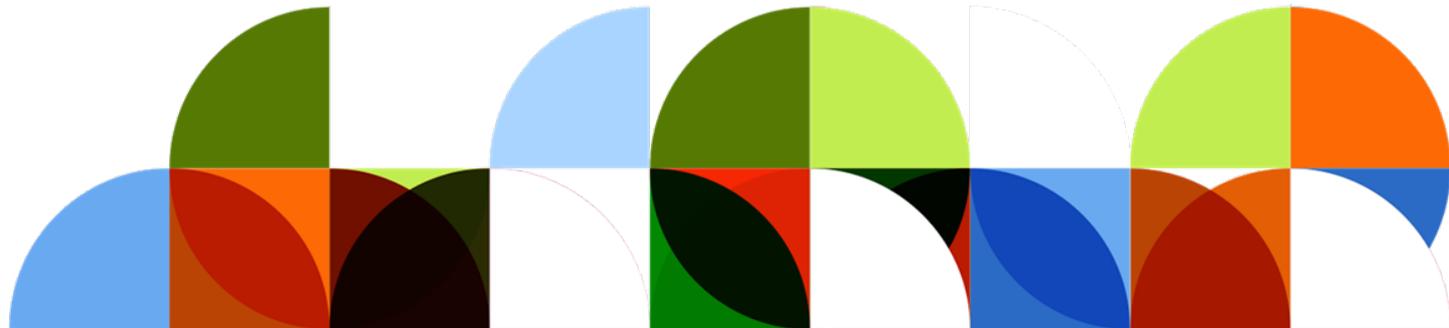
ADVISORY TEAM



ERISA TEAM



SOCIAL MEDIA



All participant notices have both content requirements and timing requirements.



A magnifying glass with a black handle and frame is positioned over a document, focusing on a specific area. The background is a blurred office setting. In the top right corner, there is a decorative graphic consisting of several overlapping semi-circles in various colors: green, yellow, blue, orange, and white. A dark blue rectangular box is overlaid on the right side of the image, containing the text.

Hire a Quality Auditor



Best Practice Checklist



Conduct regular **Committee meetings** to review Plan health & investments



Follow a **prudent process & document** your reasons for making decisions as a Committee



Hire a **prudent expert** if you lack the time and/or resources to monitor your Plan investments internally



Ensure **bonding** is current/sufficient



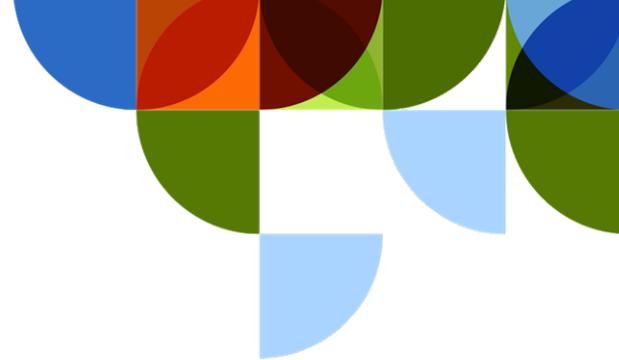
Consider **Fiduciary Liability Insurance**



Conduct periodic **fee reviews** of service providers to ensure full understanding of services provided and fees paid



Minimize or eliminate **conflicts of interest**



Best Practice Checklist Cont'd.



Store your plan documents and records in one place



Hire a qualified auditor



Periodically ensure the plan documents match what is being done operationally via an **internal audit**



Understand your business structure



Keep records of safe harbor notices, SPDs, SARs, opportunity to enroll, notice of RMDs, and investment changes



Keep verification of hardship, loan paperwork, dates of termination and reasons and hours worked



Be mindful of participant **complaints**

THANK YOU!



Questions?

Please use the Slido panel to ask questions or participate in polling during the sessions.

This Program, ID No. 534681, has been approved for 5.00 HR (General) recertification credit hours toward aPHR™, aPHRi™, PHR®, PHRca®, SPHR®, GPHR®, PHRi™ and SPHRi™ recertification through HR Certification Institute® (HRCI®).

