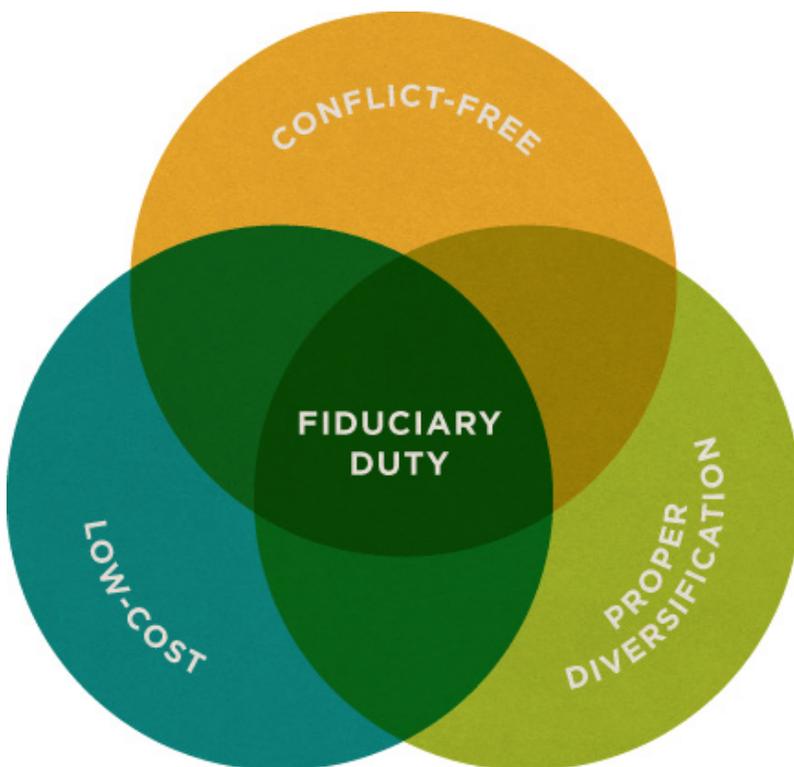


# FIDUCIARY REVIEW

Are You Meeting Your Fiduciary Responsibilities?



Sponsoring a 401(k) retirement plan makes you a fiduciary.

Are you meeting the rules established by the *Employee Retirement Income Security Act (ERISA)*?

## 401(k) Plans

401(k) plans, also known as defined contribution plans, are the most common type of retirement plan today. Employees can elect to contribute a percentage of their salary to the plan. Contributions are excluded from taxable income until they are withdrawn. Employers are required to contribute a certain percentage of the employee's salary to the plan.

### In This Issue

- Duties of an ERISA Fiduciary
- Co-op 401(k) Plan Structure
- Fiduciary Checklist
- Regulations Are Sponsors' Primary Concern
- Contact us for more information

# Co-op 401(k) Plan Structure

## Plan Sponsor (Fiduciary)

Each cooperative (i.e., XYZ Cooperative)

## Named Fiduciary (Fiduciary)

Co-op Fiduciary Board

## Trustee (Fiduciary)

The Charles Schwab Trust Company

## Investment Advisor (Fiduciary)

Advanced Capital Group

## Auditor

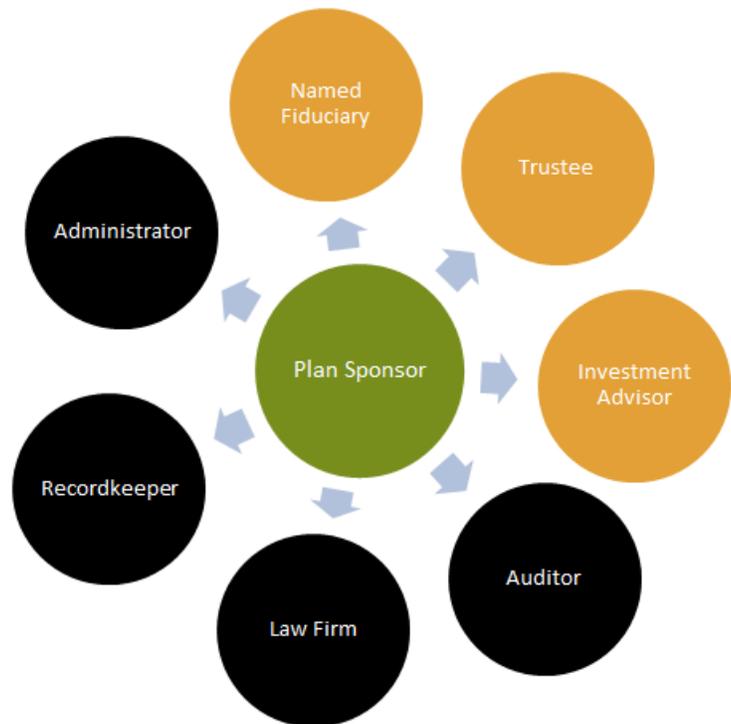
Independent firm

## Law Firm

Oppenheimer, Wolff & Donnelly

## Recordkeeper and Administrator

Milliman, Inc.



## Duties of an ERISA Fiduciary

### Required to:

- Act in the best interest of plan participants
- Select and monitor service providers
- Pay reasonable plan expenses

### Can Delegate:

- Recordkeeping and plan administration
- Plan communication and education
- Participant transaction processing
- Preparation of necessary government forms (Form 5500)
- Investment selection and monitoring

## Understanding Your Obligations.

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

- 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 (Oppenheimer, Wolf & Donnelly)
- Compliance with requirements for investment oversight and diversification in consultation with the Plan's ERISA investment counsel, Advanced Capital Group (a named fiduciary)
- Outsourced administrative and recordkeeping (Milliman, Inc.)
- Written Investment Policy Statement
- Outsourced compliance testing and government reporting
- Comprehensive participant communication and education services
- Investment advice and managed account services
- Detailed reporting tools
- Coordination and project management with your independent auditor (if required)
- Documented processes for compliance with ERISA

# Co-op 401(k) Plan Fiduciary Checklist

Cooperative Name:

Committee Members:

Date:

	COMPLETED		DATE	NEXT STEPS
	Fiduciary Board	Local Cooperative		
<b>1</b> ◀ <b>Fiduciary Governance</b>				
• Establish formal committee	✓			
• Establish committee bylaws and charter (if applicable)	✓			
• Number of committee meetings per year:	4			
• Number of meeting minutes per year:	4			
• Review named fiduciaries and plan documents for consistency	✓			
• Ensure fiduciaries are aware of their duties and responsibilities	✓			
<b>2</b> ◀ <b>Investment Oversight Process</b>				
• Review and update the IPS	✓			
• File investment due diligence/performance reports	✓			
• Document investment review and decision making process	✓			
• Maintain history of fund changes/mapping	✓			
• Comply with plan default investment rules in the IPS	✓			
• Review investment management fees for reasonableness	✓			
<b>3</b> ◀ <b>Fiduciary Insurance &amp; Bonds</b>				
• Review ERISA fidelity bond coverage levels	✓			
• Document fidelity bond and insurance coverage for each plan	✓			
• Consult with liability insurance provider for updates on coverage	✓			

## The Co-op 401(k) Plan Fiduciary Checklist

The Co-op 401(k) Plan operates for the benefit of the sponsor and the participants.

The Fiduciary Board meets quarterly to review the plan on behalf of nearly 400 cooperatives across 23 states.

To receive a copy of the complete 401(k) Plan Fiduciary Checklist contact :

**Andy Schieldt**  
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## What are Plan Sponsor Concerns?

### Regulations Are Sponsors' Primary Concern

By Lee Barney editors@assetinternational.com | August 03, 2015

Reducing plan costs and reevaluating the investment menu trail regulations for top sponsor concerns. Asked their top three retirement plan issues, 49% of sponsors first cite complying with regulations, followed by reducing plan costs (47%), and reevaluating the investment menu (45%), according to a new report from Cogent, "Navigating Change in the 401(k) Market: Key Insights for DC Plan Providers and Investment Managers." Perhaps most surprisingly, Cogent says, 75% of plan providers say they are at least somewhat likely to initiate a formal review of their 401(k) plan over the next 12 months. Full article link below:

Source: <http://www.planadviser.com/Regulations-Are-Sponsors-Primary-Concern/>



Employee Retirement  
Income Security Act  
(ERISA)

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.



#### Contact Us

Give us a call for more information about our services and products.

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