



401K | CULTURE

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The Components of a 401(k) and What They Do

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Sponsor

- Most often the employer
- Some multi-employer plans

Plan Design

- How and when employees can join
- Deferrals and matching limits
- And maybe a Roth option
- Fit specific needs--evolve with company
- Requires ongoing support from provider

Administration

- Manage paperwork
- Manage deposits and accounting
- Make sure every part is pulling its weight

Plan Management and Operating the Plan

- Participation
- Contributions
- Vesting
- Nondiscrimination
- Investing plan monies
- Fiduciary responsibilities
- Disclosing plan information to participants
- Reporting to government agencies
- Controlling costs

Plan Management: Cases

- Tibbie v. Edison
- Tussey v. ABE Inc.

Investment Selection and Management

- Options selected by sponsor or fiduciary
- Often an outside manager
 - Saves time and energy of selecting options
 - Reduces risk to sponsor
- Case: Kruger v. Ameriprise

Participant Services

- Communications
- Dedicated person to service accounts
- Facilitate process of enrollment and investment selection

The Fiduciaries

- Named Fiduciary
- 3(16) Plan Administrator
- 403(a) trustee
- 3(38) Fiduciary: Investment Manager