

*Best Practices for k Committees. Forming an investment committee is optional and each committee set-up should be structured around the company's capabilities and needs.*

Learn more from these resources. This archive contains not only the most current material on the topic, but also older items that are still relevant, provide background, perspective or are germane to the topic. If you find a broken link or an items that you feel is outdate, irrelevant or no longer appropriate, please let us know. To subscribe to our free weekly newsletter, enter your email address below then click the "Join" button. There is not a legal requirement that committee members receive fiduciary training. But, what should the fiduciary education cover? Based on an analysis of court decisions on fiduciary responsibility, Fred Reish worries that fiduciaries may not be adequately educated about their basic responsibilities and particularly their administrative oversight duties. Plans compare their returns by asset class to selected benchmarks that reflect their investment goals for the asset class. Plans pay fees to external asset managers with the expectation that the managers will exceed these benchmarks. As such, this paper focuses on the benchmarks to assess the role of fees. The question is whether higher fees help or hinder the ability for a plan to outperform its chosen benchmarks. They are often referred to as ESG Funds. Studies show that millennials want socially responsible investments. This article discusses what you should consider. Court of Appeals for the Eighth Circuit clarified the burden plaintiffs must meet to state a claim for breach of fiduciary duty under ERISA based on the inclusion of allegedly underperforming and expensive investment funds. Because plaintiffs often lack detailed information about the process plan fiduciaries followed to make investment choices, pleading a plausible claim that those fiduciaries have acted imprudently can pose a significant challenge. Two retirement industry professionals reviewed best practices for investment committee members. This page paper discusses the potential benefits and drawbacks of including nonstandard investment options, particularly white-label funds, in a k plan. Fund expenses cover portfolio management, fund administration and compliance, shareholder services, recordkeeping, certain kinds of distribution charges, and other operating costs. This ICI study found that, on average, fund expenses for long-term mutual funds have declined substantially for more than 20 years. The Trump administration unveiled guidance aimed at the burgeoning socially responsible investment industry that left some investors scratching their heads. Like good design, people know a good fiduciary process when they see it. When replacing a poorly performing investment in a fiduciary account, follow these best practices to ensure fiduciary compliance. When a person is appointed or is being sought to be member of a retirement plan committee, the natural question is to understand exactly what the person is committing to. Simply stated, a committee member is a fiduciary, who is expected to always act on behalf of plan participants, using the care of a person familiar with retirement plans and investments. This article covers the specifics on the role and responsibilities of being a fiduciary. Traditionally, the governing committee for k and b plans have been called "investment committees" which can cause confusion and might even be harmful. They should be called "retirement committees" or even "benefits committees. The author reviews a few key problems he has seen over the years in the operation of retirement plan committees. Appointing and Removing Committee Members Abstract: This is an aspect of committees where there is generally a woeful lack of understanding of the commitment that is being made. This article discusses making a committee position offer what plan sponsors should be thinking about , formalizing appointments, removals, and resignations. In fact, this time is by far the least important part of a committee meeting. In fact, meetings start well before the meeting itself and end well after it. Committees serve at the pleasure of an appointing entity, usually a board of directors that gives them discretionary authority over key aspects of plan operations, investments, and administration. Committees are accountable to that appointing entity for their actions. Should You Have One? Plan sponsors are not legally compelled to set up committees. Most standardized plan documents give plan sponsors the flexibility to set one up or not. How can plan sponsors build an investment menu that will facilitate improved long-term participant outcomes? Investment Menu Construction discusses how findings from behavioral economists can help guide the construction of an investment lineup that will make participant decision-making easier.

Effective governance of their DC plans helps employers meet fiduciary responsibilities, abide by regulatory requirements, and minimize the risk of litigation and negative press. This page report identifies ways in which committee structure, composition -- and even the number of meetings and those responsible for meeting agendas -- have important implications for the priorities, challenges, and effectiveness of DC plan governance. A Legal Perspective Abstract: In the complex and litigation-prone world DC plans occupy, it is important to underline what the real focal points for fiduciaries should be. Here are five guiding principles under ERISA that can aid fiduciaries in selecting and monitoring investment options and assessing active strategies within their plan lineups. The core lineup of most plans has remained largely unchanged over the past 20 years. This paper focuses reframing the design of actively managed options with an emphasis on fewer, broader investment options to ease participant decision making. A lot depends on the size and design of your plan, and the demographics of your participant population. Who are the right people to sit on your investment committee? The answer certainly seems straightforward, if only because most corporate committees maintain a list of the usual suspects. But are these the best ways to build an investment committee? As a plan sponsor, one of the many hats you probably wear is investment committee member. This article offers some best practices. Courts, plan sponsors, and investment fiduciaries in general must be able to differentiate between nominal returns, load-adjusted, and risk-adjusted returns in order to 1 know when each is appropriate, and 2 to be able to properly determine whether a fund is providing commensurate value for higher fees in order to ensure that they are properly comparing "apples to apples" in order to act in the "best interests" of a plan and its participants. Assessing the performance of your k investment advisor is often difficult. How can you tell if your k investment advisor is doing a good job? A few tips are provided in the short piece. Maintaining an institutional investment program, including the oversight and responsibilities of acting as fiduciary, can be daunting to even the most seasoned investment committees. The most successful investment committees support their organizations by using five best practices. Investment Committee Best Practices Abstract: The purpose of this page paper is to provide investment committee members with practical guidance on meeting their fiduciary responsibility through proper debate and documentation, constructing their committee thoughtfully with well-vetted leaders and members with diverse skills and backgrounds, conducting well-structured and productive meetings, and anticipating and resisting counterproductive behaviors. That discussion should begin by examining where participants are putting their money. The marketplace is trending towards a redesign of the investment menu. This is being done through investment menu segmentation into behavior-based levels or tiers. Many plan sponsors and financial educators are finding this new tiered menu approach easier to communicate and simpler for employees to understand how to select investment options that may be most suitable for them. Investment committees carry weighty responsibilities. This page paper offers insights into how committees can improve decision-making on behalf of their organizations. Many plan sponsors create oversight committees for their qualified retirement plans. The duties of these committees are significant and committee members are typically fiduciaries who need to act in a diligent, prudent manner, and in the best interest of the participant. This article covers seven of the most important best practices every plan committee should consider following. The resident plan fiduciaries the company officers and key employees who act on behalf of the sponsor as plan administrator or trustee have a legal duty to "select and monitor" plan investments and, in the case of sponsors who have hired investment professionals, to monitor not only investment performance but also the performance of the investment professionals. So, how do you "select and monitor"? Plan sponsors face increasingly complex fiduciary requirements, as well as pressure to provide an optimal plan experience for participants at a reasonable cost. Making investment selection decisions under these conditions can prove challenging. This white paper aims to help fiduciaries navigate the waters of plan investment selection and monitoring processes. Investment in equity index funds -- and other passively-managed investments designed to track a market index -- is exploding. If you are a k fiduciary, this trend is great news. While it can be difficult for k fiduciaries to insulate themselves from investment-related liability using actively-managed funds, this job can be dead simple using index funds. There are no specific legal requirements regarding the number of members or who should or should not sit on a retirement plan committee. However, there are common practices plan sponsors might keep in mind that can serve as

guidelines for establishing this body. Every plan, and every investment committee, is unique, and yet, conducted properly, there are inevitably areas of commonality. Here are some questions that could enhance the discussion, if not the outcome, at your next investment committee meeting. The New Year is a perfect time to address many of the annual review items in the k compliance and governance checklist. As the New Year unfolds, plan sponsors may want to evaluate the composition of their Investment Committee. While there is no such thing as a "perfect," one-size-fits-all investment committee, there are several broad factors to consider as you form and maintain a committee best suited for your plan. This article focuses on some of the implications the new fiduciary rule will have on retirement plan committee responsibilities. This paper seeks to explore the various approaches to menu design and identify how plan demographics and participant behavior can aid in determining what may be most appropriate for a specific plan. The decisions which have the most negative impact on investment results tend to be associated with capitulating on a good strategy after a stretch of bad performance. In fact, capitulation can evolve into a pattern of selling low and buying high as the investor seeks to recoup foregone returns. A well-established and implemented investment policy statement is one of your best defenses against potential legal challenges in light of recent court rulings. Plan sponsors have increasingly focused on finding low-cost investments and more transparent fee structures for their retirement plans, in part due to the increasing number of headlines related to fee-based litigation issues. This paper provides an overview of and trends surrounding CITs, and outlines what plan sponsors should consider when looking at adding CITs to their plan lineup. Four Best Practices Abstract: This page paper proposes four best practices for constructing a k plan investment lineup. The best practices provide a road map that plan sponsors can use to evaluate and improve the investment offerings in their DC plans. Recent litigation has affected the process retirement plan fiduciaries use to select and monitor their investment options. This webinar helps you make sense of these changes and provide actionable advice for fiduciaries who select investment options. The investment menu structure may be just as important as the actual investment options themselves.

## 2: k Best Practice Series Part 5 - The Investment Policy Statement - Putting it In Writing

*A#Guide#to#Best#Practicesfor# (k)#Plan#Investment# Committees INTRO ROLE OF AN INVESTMENT COMMITTEE FORMING A COMMITTEE STRUCTURING MEETINGS.*

Bringing together a group of qualified and knowledgeable people to oversee the investment functions of a plan is a sound strategy, but unless certain best practices are followed, it may not do much to fortify the fiduciary responsibilities of the plan sponsor. ERISA provides very little guidance for plan sponsors in establishing procedures and practices for carrying out their responsibilities. It is generally left up to plan sponsors to interpret the rules and apply whatever skills and resources that they have to ensure their plan is in full compliance. Many plan sponsors have established investment committees to provide investment oversight and share in the fiduciary responsibilities of managing their plans. The existence of an investment committee demonstrates a commitment to follow formalized procedures and practices in order to ensure strict compliance with ERISA. Best Practices for Investment Committees to Follow Create the Optimum Composition Participation in the investment committee should be voluntary, but it should be representative of the various interests involved. Anyone who serves in a fiduciary capacity with the plan should be included. These should be the only permanent members of the committee who have voting power. These members may have no voting power, and their memberships may be restricted to three- or four-year terms. Each year, the membership should select a chairperson and a secretary who is responsible for documenting all discussions and decisions during the committee meetings. In addition to defining the purpose and responsibilities of the committee members, it details the processes for conducting plan reviews and making decisions. The charter should go into detail as to how members are selected or removed, when and how meetings are conducted, how investment advisors and third-party vendors are selected, and who can act as an authorized agent to carry out the directions of the committee. Create an Investment Policy Statement Having a formal investment policy statement IPS ensures consistency in how the investment plan is managed. The IPS need not be lengthy or detailed. The IPS should be reviewed at each meeting in order to frame discussions and decisions. Document Everything If the primary purpose of the investment committee is to provide proof of adherence to prudent processes and practices for making investment decisions, the most important duty of the committee is to document everything thoroughly, including committee meeting minutes, meeting attendance, discussions, decisions and details on how decisions were formulated. The record should be circulated to all committee members for verification of accuracy and their endorsement. It should also be made available to anyone with oversight responsibilities, and filed with other fiduciary audit materials. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

## 3: How to Follow Investment Committee Best Practices | Investopedia

*Many (k) plan sponsors choose to create committees to help manage the company's retirement plan. These are typically called "retirement plan committees" or "administrative committees." Since this group of people is responsible for making policy and investment decisions for their company's plan, their fiduciary responsibility is.*

Retirement plan committees are typically organized to do the following: As fiduciaries, plan committee members must act prudently and should make all decisions in the best interest of the participants. Though each plan and company will have different needs and goals, there are some common best practices that plan committees can use as guidelines. Have a written investment policy for the plan. Though this is not technically required by law, it is important to have one and to stick by it. The policy statement describes investment goals, the objectives of the plan, and the manner in which these will be achieved. It is the outline for the operations of the plan and addresses many specific issues such as risk tolerance and asset allocation. All investment options provided, and any actions taken, should be evaluated against the policy. This can assist in keeping committee members on track with the intentions of the plan. If needed, have a registered financial adviser help the committee draft this statement. Have a written charter that clearly defines the roles of committee members. Each member should understand their responsibilities as well as their fiduciary risk. Organization is key to a strong retirement plan committee. When there is membership turnover, it is wise to have roles defined in order to assist in the ease of transition for new members. Use streamlined criteria for hiring plan service providers, and evaluate the fees and value of each service provider annually. The committee is generally responsible for regularly evaluating fees. It needs to be determined if the fees are reasonable for the quality of service received. Documentation of why and how decisions are made is extremely important. Retirement plan committees can also benefit from a wise member selection process. Though members do not need to be finance experts, they should be familiar with the plan and the company, committed to their role, and willing to come to meetings prepared. Some companies prefer term limits, while others see value in long-term members. There is a fiduciary responsibility in choosing committee members, and the main fiduciary of the plan can be held liable for the actions of those on the committee. Document the minutes of every meeting. This is stressed often because it is of such great importance. The minutes will reflect the decision-making process and may be useful if the decision needs to be clarified to participants or the courts. Minimally, have one meeting per year. This meeting should review the following: Membership in a retirement plan committee comes with a fiduciary responsibility toward plan participants. Thankfully with the guidance of best practices, members can feel confident in their ability to make wise decisions for the participants of the plan. Sam resides in South Metro Atlanta with his wife and two daughters.

### 4: Best Practices for (k) Plan Investment Committees Download by Rocco DiBruno pdf - ulwritislap

*Best Practices for (k) Plan Investment Committees [Rocco DiBruno] on www.enganchecubano.com \*FREE\* shipping on qualifying offers. In today's complex, increasingly-litigious world, you must ensure that your (k) investment program is sound and efficient.*

You may contact Dan at mcgee. There are many considerations which employers have to deal with when they sponsor a corporate retirement plan. The most popular plan today is the k, named after the section in the internal revenue code where it is referenced. We utilize five key "best practices" with our clients to use as guide to ensure we have a comprehensive and competitive retirement plan. Best Practice 1 - Define who the plan fiduciaries are, understand their responsibilities and implement processes to deal with plan requirements. A fiduciary is anyone who has "discretionary" control over plan assets. This includes, but is not limited to, individuals involved in choosing the plan administrator and other plan fiduciaries as well those involved in deciding what investments are offered to employees. Each plan should identify who the plan fiduciaries are. ERISA places a number of duties on plan fiduciaries and imposes joint and personal liability in the event any of these duties are breached. In other words, plan fiduciaries company executives, committee members, etc. Their personal assets are at risk. There are several things an employer can do to help minimize their fiduciary liability including: Developing a diverse menu of investment offerings is the place to start in minimizing fiduciary obligations. There are many reasons for this, but one surrounds the uncertainty of the investment markets. Anyone can "Monday morning quarterback. In order for employees to be able to construct a diversified portfolio, a diversified menu of investment offerings must be available. The prudent employer should also consider adding pre-set portfolios for employees. Therefore, making pre-set portfolios available helps the employee with their investment strategy and helps to ensure they have a diversified and disciplined investment approach. Only then will they obtain peace of mind and be on their way to a secure retirement. Best Practice 3 - Education and Communication Generally speaking, employees that are participants of a k plan are most frustrated with the lack of education or communication. These numbers have not changed in recent years. The fact of the matter is that many employees are under funded when it comes to adequate retirement savings. People need to save more and invest more wisely. Best Practice 4 - Assist executives in dealing with the limits of qualified retirement plans. Many employers implement supplemental retirement plans to deal with the contribution limitations within qualified retirement plans like the k. Executives are limited in three simple ways; income which can be counted, dollar amount of maximum salary deferral and by the amount that lower paid workers on average contribute to the plan. Left to just the qualified plan, many executives would not have an adequate nest egg at retirement. Executives or higher paid workers need a specific and integrated savings and investment strategy to ensure they have saved enough to replace their pre-retirement earnings. Employers should consider these plans not only as a means to help the executive with their retirement planning in a tax advantaged way, but also strategically as an additional way to attract, retain and reward key employees. The plan, just like a business plan, needs to be evaluated and monitored on an ongoing basis. The investments need to be reviewed, employee appreciation and satisfaction needs to be monitored and plan design and plan expenses need to be evaluated. Employers can partner with retirement plan professionals to assist in the maintenance and ongoing evaluation of their plan. Success should have plan fiduciaries protected, employees educated, plan performance elevated and the plan appreciated. Other articles by Daniel McGee: The opinions expressed here are those of the author and do not necessarily reflect the positions of khelpcenter.

### 5: (k) Plan Investment Committee Best Practices After Tibble v. Edison | The National Law Review

*Still, the most successful committees do have one thing in common-they use these five best practices to optimize their efforts and support the long-term financial health of their organizations. Mark Dixon CPA, CFP, CIMA, is a partner and Institutional Practice Leader with Plante Moran Financial Advisors.*

### 6: [www.enganchecubano.com](http://www.enganchecubano.com): Customer reviews: Best Practices for (k) Plan Investment Committees

*Establishing a (k) investment committee comprised of members both willing and able to fully understand the roles and responsibilities of the position and educated on the basics of ERISA fiduciary responsibility, plan procedures, investment review guidelines, and plan documents.*

### 7: Five "Best Practices" for Employer Retirement Plans - [www.enganchecubano.com](http://www.enganchecubano.com)

*Investment Committee Best Practices Plan fiduciaries are highly scrutinized due to the regulatory nature of retirement plan operations and the rules under ERISA. Plan fiduciaries should consider implementing the following best practices in order to demonstrate fiduciary responsibility.*

### 8: Best Practices for Investment Committees

*- Aids in clear communication of plan investment policy to participants - Ensures continuity in decision-making as committee members and plan fiduciaries change - Protects the sponsor from making capricious or arbitrary decisions.*

*Kaplan usmle step 1 pharmacology Benchmark competitors and ignore what theyre doing There is little evidence that home schooling is successful Katherine Pflieger JLA the Flashes book of speed Task force meeting of Assembly Coastal New Jersey Evacuation Task Force Pedestrian precincts in Britain Riders Team Spirit (Riders) Thunder and Lightning the Raf in the Gulf Attempts to separate the West from the American union Books that have read me A Mother for All Seasons Dispute settlement, compensation, and retaliation under the WTO Robert Read 1 Self accusation, (2 forgiveness of others, (3 prayer, (4 almsgiving, (b humility. The Engstrom girls. Rampart Street (Valentin St. Cyr Mysteries) Classic walks in Southern England Myths of information A Walnut Sapling on Masihs Grave Im here, Im here here I am! Commentary by Geshe Lhundub Sopa PART 2 New fiction in English from Africa The human body and the law Windows 7 training guide Bernard Shaws The Black girl in search of God Dho health science 8th edition Lexical and syntax analysis One knee equals two feet Getting what you want from the government, the courts, and private persons The Universities We Need Control of Mechanical Systems With Constraints Ch.2 Discipline the mark of maturity How the worlds most notorious atheist changed his mind. Disability a diversity model approach in human service practice Undying courage, the story of Bagha Jatin Columbus and the New world Astm table 54b Anglo-Castilian trade in the later Middle Ages Spike of Swift River Short history of the English novel. Country Inns and Selected Hotels in Great Britain and Ireland 1999 (Country Inns and Selected Hotels in G*