







401(k) Participant Advice: How to Protect Your Plan Sponsors and Yourself

Managing the Fiduciary Risk of Individual Advice



#### Legislative/Regulatory Overview

- ▶ The History of Advice
  - ▶ '01 SunAmerica Opinion
  - ▶ PPA Fiduciary Adviser
  - January '09 DoL Opinion
  - February '10 DoL Restatement
- Jason Roberts, Partner: Reish and Reicher









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Advice in Practice

Managing Risk in Your Practice and for Plan Sponsors

## Managing Risk In Your Practice

#### Is It Real or a Myth?

- ▶ Total ERISA Plan Settlements in '08 by Category
- DoL Monetary Recovery in ERISA Plans '09
- ▶ Recent Lawsuits Against Advisors
- ▶ Steps to Manage Risks

Mike DiCenso, AIF, National Practice Leader: Gallagher Retirement Services









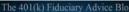
### Managing Risk for Plan Sponsors

Managing Risk for Plan Sponsors

- ▶ What are the Risks for Plan Sponsors
- ▶ What the "F" Word Means to Plan Sponsors
- ▶ Types of Fiduciaries
- ▶ The Regs
- ▶ The Fiduciary Safe Harbor

Chad Griffeth, AIF, Co-Founder and President, BeManaged















Motivation for providing participant advice -

Revenue and Cost Considerations

- In-house v Outsource
- ▶ Compensation Model
- Impact on Your Cost Structure
- ▶ Things to keep in mind
  - Evaluation Method
  - ▶ Prohibited Transactions
- Scott Holsopple, AIF, President of Smart401k













#### Outsourcing Participant Advice

Should You or a Third Party Take That Risk?

# Outsourcing Options – Who Should Take the Risk – You or a Third Party?

- Outsourcing Advice to Mitigate Risk
  - Risks v Benefits
- Must consider ability to manage risks inherent to various provisions required to delivery safe harbor and avoid prohibited transactions if with B/D
- Jason Roberts, Partner: Reish and Reicher









#### Smart401k Overview

- Independent Investment Adviser
- Acknowledged Fiduciary
- Solely focused on participant advice
  - Advice & Managed Portfolios
- Unlimited access to team of IARs
- Targeted communications & education program, GAP analysis
- Scott Holsopple, AIF, President of Smart401k











#### BeManaged Overview

- Independent, Unbundled
  Third Party 401(k) Advice
  and Account Mgmt Solution
   100% Focused
- Participant IPS, ongoing advice/mgmt, customized updates, and Personal Annual Review
- PPA Fiduciary Adviser Safe Harbor
- Available to deliver direct or as "advice back office" for advisors

 Chad Griffeth, AIF, Co-Founder|President, BeManaged



The 401(k) Fiduciary Advice Blog









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Q & A

 Managing Risk In Your Practice and For Plan Sponsors Outsourcing Questions



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