






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

Managing the Fiduciary Risk of Individual Advice




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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

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## Managing Risk In Your Practice

Is It Real or a Myth?

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

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



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## Managing Risk for Plan Sponsors

Managing Risk for Plan Sponsors

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

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



The 401(k) Fiduciary Advice Blog



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## Revenue and Cost Considerations

- ▶ Motivation for providing participant advice –
  - ▶ 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



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## Outsourcing Participant Advice

Should You or a Third Party Take That Risk?

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### 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



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### 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



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## 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



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## Q & A

- ▶ Managing Risk In Your Practice and For Plan Sponsors
- ▶ Outsourcing Questions



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