



PENSION RESOURCE INSTITUTE, LLC

ERISA CONCIERGE PROGRAM OVERVIEW AND SAMPLE PROPOSAL

PREPARED ON:

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I. ERISA CONCIERGE PROGRAM OVERVIEW

Sweeping and technical changes to the Employee Retirement Income Security Act (ERISA) are scheduled to become effective in 2012, and retirement plan sponsors must take affirmative steps to comply with a number of new requirements. Specifically, regulations under sections 408(b)(2), 404(a)(5) and recent changes to the Form 5500 Schedule C will alter the way employers evaluate and report certain information to the Department of Labor (DOL), Internal Revenue Service (IRS) and plan participants.

Those who are responsible for such reports or who make decisions on behalf of the plan are considered to be fiduciaries under ERISA and may become personally liable if they fail to meet specific requirements. Personal liability means that the individual's home, bank accounts or even his/her own retirement benefits may be at risk if their conduct as a plan fiduciary causes harm to the plan. Nevertheless, many employers do not have sufficient resources to develop and maintain the processes necessary to comply with the new rules, and plan fiduciaries. This gap is particularly problematic given the significant expansion of DOL and IRS audit and enforcement capabilities and increasing ERISA litigation filed against plan sponsors.

The ERISA Concierge Program is designed to assist employers in developing a framework from which to effectively operate and manage their retirement plans. While ERISA requires plan fiduciaries to manage the plan prudently, it also allows for the plan to engage outside expertise when required. Indeed, it is common for employers to utilize financial advisors for assistance in selecting and monitoring plan investments. At the same, however, employers should have written policies and procedures in place to allocate roles and responsibilities among the plan fiduciaries and service providers, including the financial adviser, and to address fiduciary duties beyond those which are investment-related.

II. INITIAL REVIEW, FOLLOW-UP INTERVIEWS & PLAN NEEDS ASSESSMENT

The ERISA Concierge Program begins with the completion of a Request for Information (RFI). PRI will review documents and information responsive to the RFI to assess the following: 1) participant demographics, behaviors, etc; 2) utilization of current services; 3) internal expertise and third-party resources; and 4) plan sponsor goals. PRI will schedule follow-up interviews with key personnel and plan fiduciaries to align the needs of the plan with the available internal and external resources. PRI will use the foregoing information to complete a Plan Needs Assessment that will provide the foundation for allocating roles and responsibilities among the plan fiduciaries, service providers and third-parties.

III. DELEGATION OF DUTIES, COMMITTEE STRUCTURE & FIDUCIARY EDUCATION

Based upon the results of the Plan Needs Assessment, PRI will assist the plan fiduciaries with the following action items: 1) amendment of plan document and written delegation of duties; 2) development of appropriate committee structure and fiduciary education and training; and 3) coordination among service providers and documentation of any delegation(s) of fiduciary duties.

IV. DEVELOPMENT AND IMPLEMENTATION OF POLICIES & PROCEDURES

Once the roles of the respective parties are established, PRI will assist the plan fiduciaries with the development and maintenance of written policies and procedures addressing information gathering, analysis and decision making and will facilitate the creation of "exam ready" document retention protocols. PRI will assist with the implementation of the new policies and procedures by providing initial and ongoing training to plan fiduciaries.



V. ONGOING SUPPORT AND UPDATES

PRI will provide ongoing support through updates and education on an as needed basis and may perform onsite reviews and fiduciary training semi-annually. The updates address the impact of new legislation, regulations, enforcement initiatives and litigation against employers and plan fiduciaries. PRI will provide recommended changes to the policies and procedures when required as part of its semi-annual review.

PRI will also make available to its ERISA Concierge Program clients its Fiduciary Resource Center (FRC). The FRC contains education and resources (e.g., factsheets, checklists, sample policies and procedures, etc.) that are updated when new rules or guidance requires.

VI. FEE RANGES AND ESTIMATES OF TIME TO COMPLETION

I. Plan Needs Assessment & Allocation of Responsibilities	\$5,000- 10,000 (one-time)	30 days
II. Development of Policies and Procedures & Training	\$10,000 – 20,000 (one-time)	45-60 days
III. Ongoing Updates & Reviews	TBD (semi-annually)	Ongoing

VII. ABOUT PRI

Bringing together proven expertise ranging from executive, legal and compliance to operations, sales and distribution, PRI provides consulting, education and technology-based solutions for the development of responsible and sustainable strategies for managing and servicing retirement plans. PRI is able to deliver “best practice” approaches for achieving the specific goals of each client with an emphasis on effective implementation and efficient oversight.

VIII. CONTACT PRI

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