Managing fiduciary responsibility for plan sponsors
Invesco PlanForward Foundations℠

Putting fiduciary responsibility in action
Contents
1  Defining fiduciary responsibility
4  Maximizing fiduciary protection
7  Complying with 404(c)
11  Keeping compliant with a retirement plan calendar
Defining fiduciary responsibility

Many employers underestimate their fiduciary duties, which can increase their fiduciary liability.

Employers sometimes have a muddled view of what fiduciary responsibility means in their role as a retirement plan sponsor — they may underestimate their fiduciary duties, overlook critical fiduciary functions or mistakenly believe that someone else holds primary fiduciary responsibility. Familiarity with key fiduciary responsibilities and strategies can help you be more confident about fiduciary issues.

This guide provides an overview of fiduciary responsibility for you as a plan sponsor. A financial advisor who specializes in servicing DC retirement plans can help you understand and manage your fiduciary responsibilities. In addition, you should consult legal counsel about managing fiduciary liability.

Who is a fiduciary?

When it comes to retirement plans, a fiduciary is generally anyone with discretionary authority or control over a plan or the investments offered in the plan. A person's function with respect to the plan — and in some cases, his title within the company — determines who is a fiduciary. A fiduciary assumes personal liability with respect to the employees who participate in the plan — and their heirs.

Fiduciary requirements under the Employee Retirement Income Security Act of 1974 (ERISA) were established to ensure that employer-sponsored retirement plans are operated ethically and for the benefit of participants. According to ERISA [section 3(21)], a fiduciary is anyone who:

- Exercises any discretionary authority over the management of the plan or the management or disposition of plan assets.
- Provides or has the responsibility or authority to provide investment advice for a direct or indirect fee or other compensation.
- Has discretionary authority or discretionary responsibility related to the administration of the plan.

Basically, two factors determine fiduciary status: a person's title within the company and his or her function with respect to the retirement plan. Certain positions are always considered fiduciaries, such as plan trustees. Plan sponsors are usually plan fiduciaries. In addition, the people who own or manage the company and make the decision to have a retirement plan are generally considered plan fiduciaries. Because ERISA's definition of a fiduciary is a functional one, anyone who acts in a fiduciary role is considered a fiduciary. This means, for example, that whoever selects investments for the plan is a fiduciary, whether or not they are formally assigned that responsibility.

The plan document that establishes a company's retirement plan may also identify a person or group of people, such as an investment committee, as fiduciaries. If, as is often the case, the plan has a committee to oversee the plan administration and the investments, the committee members — as well as the board of directors who appoint them — are fiduciaries under the law. In the absence of a committee, company officers who make decisions about the plan are fiduciaries.

The employer, as the plan sponsor, may delegate certain fiduciary functions to service providers while maintaining ultimate fiduciary responsibility for selecting and monitoring those providers. There are different categories of fiduciary services which can be delegated, which are named after the applicable ERISA section.

A 3(16) fiduciary describes a special kind of plan fiduciary who is plainly referred to as the "administrator" of a plan. Every plan must have a person who serves as its administrator for ERISA purposes. If no person is designated, the employer is automatically deemed the administrator. A 3(16) fiduciary has particular reporting and disclosure responsibilities, including a duty to provide summary plan descriptions (SPDs) to participants, ensure that participants receive quarterly benefit statements and furnish copies of the plan document upon request.
The “administrator” definition under ERISA should not be confused with an administrative service provider, such as a third-party administrator (TPA) or other provider that may perform services for the plan but does not accept any fiduciary responsibility from the plan sponsor. The scope and range of the responsibilities accepted by the 3(16) fiduciary – as well as any other fiduciary – under the plan must be clearly spelled out.

- A 3(21) fiduciary is any person who renders investment advice for a fee. Investment “education” or general advice relating to investment strategy, such as describing asset classes that are consistent with long-term investing, does not fall within the definition of investment advice. As a practical matter, references to a 3(21) fiduciary generally mean “nondiscretionary” advice, where the person providing the advice does not have discretionary authority over plan assets.
- A 3(38) fiduciary is an investment manager. Unlike a 3(21) investment advice fiduciary, a 3(38) fiduciary must have discretionary authority over plan assets. In addition, the provider generally must be a registered investment advisor (RIA), a bank or an insurance company and must acknowledge plan fiduciary status in writing.

Typically, individuals or service providers who perform purely administrative functions for the plan without discretionary authority aren’t considered fiduciaries. In addition to fiduciaries affiliated with the employer, external consultants or advisors who are deemed to be providing “investment advice” under ERISA can also be fiduciaries of a plan. However, the definition of “investment advice” and recommendations under ERISA and the securities laws are not identical, and you can be an “advisor” under the Investment Advisors Act without necessarily being an ERISA fiduciary. Again, legal counsel can advise you about complex definitions of who is considered a fiduciary, especially in light of Department of Labor (DOL) proposed regulations issued in April 2015 which would expand the definition of fiduciary with respect to the provision of investment advice.

What are the primary fiduciary responsibilities?

Plan fiduciaries have five primary responsibilities:

1. **Operate the plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses.** Examples of this responsibility include ensuring that expenses are reasonable, investing plan contributions quickly and efficiently, and refraining from any use of plan assets that benefits the company or their personal interests rather than the participants. For example, a fiduciary couldn’t legally select a service provider who offers a personal benefit or service in exchange for conducting business with the plan.

   Fiduciaries must also:
   - Oversee the activities of experts associated with the plan.
   - Avoid conflicts of interest.
   - Avoid engaging in transactions that benefit parties of interest to the plan, which includes anyone closely related to the plan, such as the employer, employees, plan fiduciaries, their relatives or service providers.

2. **Oversee plan expenses paid by the plan sponsor and participants.** ERISA requires fiduciaries to ensure that fees paid to service providers and other expenses of the plan are reasonable in light of the level and quality of services provided.

   The DOL issued a final rule in 2012 [under ERISA Section 408(b)(2)] which requires detailed fee disclosures to plan sponsors so they may better evaluate the reasonableness of service provider fees. Under the new rule, 401(k) service providers – including investment advisors, recordkeepers and plan administrators – will have to provide plan sponsors with the following:
   - A description of the services provided.
   - A description of compensation (direct and indirect), which includes the amount the service provider expects to receive, either in the aggregate or by service, in connection with the described services.
   - Notification about whether compensation will be billed or deducted from the plan.
The DOL also issued rules [under ERISA Section 404(a)] which require specified participant-level disclosures about fees and expenses. On a regular periodic basis, the plan administrator must ensure that participants and beneficiaries are aware of their rights and responsibilities with respect to the assets in their accounts. They must be given sufficient information about the plan and the plan’s investment options, including fee and expense information, to make informed decisions about the management of their accounts.

3 **Act prudently, as defined by the Prudent Man Rule:** Fiduciaries must act with the care, skill and due diligence that a prudent person in a similar role and similar circumstances would exhibit. This applies to all decisions affecting the plan, including selection of investments, selection of service providers and appointment of other fiduciaries.

Plan fiduciaries do not need to be experts on all aspects of the plan and should, in fact, obtain the services of experts as needed – although doing so doesn’t relieve a fiduciary of responsibility. However, they must carefully review the capabilities and experience of experts to help ensure they are qualified for the particular task. In addition, fiduciaries should oversee the activities of those experts and evaluate their advice in a prudent manner.

4 **For DC plans, ERISA standards require diversification to help minimize the risk of large losses, unless it is clearly imprudent to do so.** ERISA requires diversification on two levels:

- First, the actual individual investment options must be diversified.
- Second, there must be a diverse range of investment options available.

In addition, ERISA clearly indicates that fiduciaries are responsible for the careful selection and ongoing review of all investment options available under the plan.

5 **Fiduciaries must follow the terms of the plan documents as long as the plan terms are consistent with ERISA.** If the terms of the plan documents conflict with ERISA, fiduciaries must follow ERISA regulations rather than the plan documents.
Maximizing fiduciary protection

Fiduciaries are personally liable for losses and penalties resulting from a breach of responsibility. Plan participants can initiate civil actions against fiduciaries. Penalties can include reimbursement of plan losses, forfeiture of profits earned from improper use of plan assets, significant taxes, monetary fines or even prison sentences. Ignorance (“I didn't know!”), poor communication and inexperience aren't adequate legal defenses.

It's virtually impossible for a plan sponsor to eliminate fiduciary risk. Offering a retirement plan entails significant responsibility and potential liability should the plan experience a negative outcome. But you, the plan sponsor, can help manage fiduciary risk.

Managing fiduciary responsibility
ERISA regulations and interpretative comments emphasize establishing and following sound procedures when making decisions for the plan. Thus, plan fiduciaries may be able to demonstrate compliance with ERISA fiduciary requirements even in the event of a negative outcome for the plan if:

1. They have a process in place to ensure that decisions are made in the best interest of plan participants.
2. They are able to demonstrate that they properly investigated and documented each plan fiduciary decision.

Below are some practical suggestions to help you meet ERISA's high fiduciary standards:

1. Investment selection and monitoring

   Adopt an Investment Policy Statement (IPS). One of the most important and most visible fiduciary responsibilities is to select and subsequently monitor the investment options available to plan participants. An IPS can be a valuable tool in meeting this responsibility and is particularly critical for demonstrating sound procedural practices. Although not required by ERISA, an IPS can facilitate investment decisions and may help shield employers from liability should plan participants experience investment losses. In addition, an IPS can help demonstrate that fiduciaries are meeting their obligations and articulating the steps taken to comply with ERISA Section 404(c) guidelines. [Please see the section about 404(c) compliance beginning on page 7.]

   Once the board of directors has adopted an IPS, it becomes part of the plan documents and must be followed. Your financial advisor can provide a sample IPS and help you customize it for your retirement plan.

   An IPS should include statements pertaining to your plan’s:
   1. Purpose.
   2. Intention to comply with 404(c).
   4. Investment objectives and guidelines. Your financial advisor can help you decide what to include.
   5. Due diligence process that the investment committee will use for investment selection and monitoring. Include relevant benchmarks and time periods. Once selected, investments are regularly monitored for their adherence to plan objectives and guidelines. The plan's due diligence process helps identify any need for new investments to be selected.
   6. The number and types of investment options, including the investment objectives and benchmarks.
   7. Participant education process.
   8. Voting rights. (For practical purposes, rights are often controlled by the plan trustee.)
Monitor your retirement plan's investments. Consider appointing an investment policy committee that meets regularly. Review plan investment offerings in accordance with the IPS, but no less than once annually. Your plan's investments are subject to market fluctuations and volatility. Monitoring them on a regular basis allows you to evaluate:

- Fund performance.
- Risk profiles.
- Management fees.
- Tenure and turnover of investment managers.

2 Plan fees and expenses

Determine if plan fees are reasonable for the services provided. Maintain a record of the fee analysis and any comparisons of prospective plan providers. Provide required, detailed fee disclosures under 408(b)(2) (see #2 under “What are the primary fiduciary responsibilities?” on page 2 of this brochure).

3 Plan design and management

Document and review plan operations. Keeping careful documentation of every significant aspect of the plan – from decision making to investment selection to employee communication – can be a crucial factor in reducing fiduciary liability. Retain written records documenting all due diligence, plan meetings, discussions and decisions related to the plan, including the selection of fiduciaries, service providers and investment options.

Consider hiring a corporate trustee for your plan. A corporate trustee can help reduce your administrative responsibilities and fiduciary liability by providing a variety of services, including:

- Adding a level of protection between the fiduciary and plan assets.
- Helping ensure that assets are used for the exclusive benefit of plan participants and their beneficiaries.
- Reducing potential conflicts of interest that may exist when a corporate officer is also a plan fiduciary.
- Providing expertise regarding the rules and regulations governing plans.
- Helping minimize plan expenses by providing standard financial reports and qualifying your plan for a “limited scope” audit.
- Streamlining administrative tasks, including preparation of consolidated financial statements and tax information returns, disbursement processing and tax withholding.

Consider hiring a 3(16), 3(21) or 3(38) fiduciary for your plan. Where a plan sponsor engages a third party to serve as the plan's 3(16) fiduciary – and this provider is designated and accepts the role as the plan's administrator – the plan sponsor ceases to be responsible for the applicable reporting and disclosure obligations under ERISA, although the sponsor typically remains responsible for providing complete and accurate information for this purpose. The 3(16) fiduciary can also choose to accept a comprehensive level of fiduciary management responsibilities relating to the plan's operation and investments, although the plan sponsor would retain responsibility for the due diligent selection and monitoring of the 3(16) fiduciary.

ERISA authorizes the plan's named fiduciary to hire other fiduciaries to provide investment advice and assist the plan sponsor in the discharge of investment duties under the plan. Courts have ruled that plan sponsors are permitted to rely on the advice they obtain from independent experts, including 3(21) fiduciaries. Plan sponsors must however:

1. Investigate the expert's qualifications.
2. Provide the expert with complete, accurate information.
3. Make certain that reliance on the expert's advice is “reasonably justified” under the circumstances.
As an alternative to relying on a 3(21) fiduciary to provide nondiscretionary advice, a plan sponsor can use the services of a 3(38) fiduciary, who has the authority to unilaterally add or remove investments from the plan's menu on behalf of the plan. Plan sponsors who are willing to surrender this degree of control over their plans' investment menus gain meaningful fiduciary protection—although the named fiduciary would remain responsible for the prudence of its initial appointment of the 3(38) fiduciary and it would also have a duty to monitor the 3(38) fiduciary's performance on an ongoing basis.

**Invest contributions and salary deferrals as soon as reasonably possible.** You must invest salary deferrals no later than the 15th day of the month following the month when the money would have been paid to the employee.

**Hold an annual plan review meeting.** Benchmarking your plan against others of similar size in the same or similar industry is an effective way to gauge the effectiveness of your plan. Ask your financial advisor to assist your performing a benchmarking review of your plan.

**Comply with 404(c).** In the next section, you will learn how to use 404(c) compliance to help manage fiduciary liability.
Complying with 404(c)

Complying with ERISA Section 404(c) is optional – but it’s one of the most important tools for managing your fiduciary liability as a plan sponsor. Your financial advisor can help you complete a 404(c) Checklist to help ensure your plan’s compliance.

Here are some questions and answers about complying with 404(c).

How does 404(c) help me manage my liability?
Under Section 404(c), you can potentially reduce your fiduciary liability by allowing plan participants to make their own investment decisions. Each participant then chooses the specific investments from the list of plan options you have established. As a fiduciary, you’re still responsible for selecting, monitoring and administering the menu of investments for your company’s retirement plan. Although you can delegate some of these functions, you still have fiduciary responsibility.

What are the most important things I can do to comply with 404(c)?
Take these five key actions:

1. Notify participants that the plan intends to comply with 404(c) and that they will be allowed to direct their investments.
2. Offer at least three diversified core investment options.
3. Designate a default fund that meets the requirements of a qualified default investment alternative (QDIA).
4. Give participants access to and control over their accounts.
5. Educate participants to help them become prudent investors.

How do I notify participants that our plan intends to comply with 404(c)?
One of the first steps required under 404(c) is to write plan participants a formal letter of notification. Your financial advisor can help you customize a 404(c) Participant Notification Letter for your retirement plan. Be sure to:
- Print the letter on company letterhead.
- Distribute the letter before or at the enrollment meeting.

The notification letter should:
- Indicate the plan’s intent to comply with 404(c).
- Announce that participants may direct their own investments.
- List investment options.
- Disclose fees, including sales charges, for buying or selling an investment option.
- Explain how to give investment instructions.
- Explain voting rights.
- Explain that information about the plan and investment options – including mutual fund prospectuses and annual and semiannual reports – will be made available to participants.
- Provide the name of the fiduciary to contact for additional information.
How do I decide what my core investments should be?
An important requirement for complying with 404(c) is selecting a broad range of investments that enables participants to create a portfolio with risk and return characteristics that are appropriate for a retirement plan investment. The requirement is satisfied if participants can:

- Control the degree of investment risk.
- Select from a minimum of three diversified investment options – known as “core” investments – with materially different risk and return characteristics.
- Diversify across investments to minimize risk.

Your financial advisor can offer a valuable service to your retirement plan by helping you determine appropriate core investments. Mutual funds, for example, offer diversified investments with a wide range of risk and return characteristics.

What is an approved QDIA, and when is it appropriate for a plan to have one?
The Department of Labor (DOL) has approved these four types of (qualified default investment alternative) QDIAs:

- A product with a mix of investments that takes into account the individual's age or retirement date – e.g., a lifecycle or target date fund.
- An investment service that allocates contributions among existing plan options to provide an asset mix that takes into account the individual’s age or retirement date – e.g., a professionally managed account.
- A product with a mix of investments that takes into account the characteristics of the group of employees as a whole, rather than each individual – e.g., a balanced fund.
- A capital preservation product for only the first 120 days of participation – e.g., a stable value fund.

A QDIA is appropriate for any plan with participant assets that lack participant investment direction. Plans with automatic enrollment features obviously have default investment needs, but situations frequently occur in the life of a 401(k) that may result in the need for a QDIA, including incomplete enrollment forms, beneficiary/alternative payee balances, qualified domestic relations orders, removal of investment options, rollovers, missing persons or disputes.

Should I consider an investment committee for my retirement plan?
Yes. A formal investment committee can potentially help individual company executives manage their personal liability. The committee – which typically includes several senior executives from such areas as human resources, finance and operations – should meet several times a year, monitor each investment option and make recommendations for changing the menu of investment offerings as appropriate.
How do I give participants access to and control over their accounts?
Your plan's investment provider usually gives participants access to and control over their accounts. From a 404(c) compliance standpoint, remember these key points when selecting a provider:

- Participants must be given the opportunity to change or add to their core investments at least every three months.
- If participants are allowed to make changes to their noncore options more often than every three months, the increased frequency should also apply to the core options.
- The frequency with which participants are permitted to transfer assets among investments should reflect the potential market volatility of each investment. Therefore, participants should have more frequent access to change investments most subject to market volatility.
- At least one investment must be able to accept transfers as frequently as participants are allowed to transfer out of other investments.

Your financial advisor can assist with determining how the types of investments in your plan’s specific menu of options influence account access and control.

How can I help plan participants become prudent retirement investors?
An effective employee education program can help participants make prudent investments. Under 404(c), the educational information your plan provides must be generally sufficient for participants to make informed investment decisions. Disclosure of certain information is obligatory, while other information must be made available on request. In general, an employee education program should:

- Explain the benefits of participating.
- Describe basic financial planning strategies.
- Provide asset allocation models and interactive tools to help participants estimate retirement income needs.
- Address the potential effect of various asset allocations on their long-term investment objectives.

What is the role of employee education in 404(c) compliance?
Employer focus on the importance of participant education has intensified as more companies have elected to comply with 404(c) guidelines. As a plan sponsor, you should be aware of the increased importance placed on employee education and communications. Your financial advisor and investment provider can assist you with an education program to help participants make prudent decisions about investing their retirement assets. In addition, your financial advisor can customize an Education Plan Statement (EPS) for your plan to help you document and focus efforts to educate employees about investing.

Engaging a third party to provide investment advice is another way to help employees make informed retirement investment decisions, but as the plan sponsor, you must have a clear understanding of the difference between education and advice before deciding whether this option is right for your plan. Either option — an employee education program or hiring a third-party provider — is better than doing nothing, which heightens the fiduciary liability risk for plan sponsors.
What’s the difference between education and advice?
According to the DOL, the difference between education and advice is that education offers choices, while advice offers recommendations. The DOL has specified the following information that it doesn’t consider investment advice, regardless of who provides it, how often it is provided or how it is delivered.

- Information about the plan
  - Plan investment options
  - Fund descriptions
  - Risk/return characteristics
  - Historical returns
  - Prospectuses

- General financial/investment information
  - Diversification
  - Dollar cost averaging
  - Compounding
  - Advantages of tax deferral
  - Risk/return
  - Estimating future retirement needs
  - Historical differences in rates of return among asset classes
  - Effect of inflation

- Asset allocation models

- Interactive investment materials
  - Because these tools allow participants to create their own models and draw their own conclusions independently, it's assumed that no “advice” is rendered. In fact, these models can even be used in individual sessions without crossing the line between education and advice.

Note that proposed regulations issued by the DOL in April 2015 would modify to some extent the distinction between education and advice. Consult your legal counsel for further clarification.

Does hiring a third-party provider to offer investment advice limit my fiduciary liability?
No. Your fiduciary responsibility remains the same whether you offer an investment education program or hire a third-party provider to give investment advice. You’re responsible for selecting and monitoring the provider, as well as for investment advice the provider offers. The chart below assigns relative risk levels to actions a plan sponsor may take concerning investment education.

<table>
<thead>
<tr>
<th>Action options and risk levels</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Course of action</strong></td>
</tr>
<tr>
<td>Do nothing</td>
</tr>
<tr>
<td>Educate</td>
</tr>
<tr>
<td>Advise</td>
</tr>
</tbody>
</table>
Keeping compliant with a retirement plan calendar

This retirement calendar is a tool for plan sponsors to track annual retirement plan events. The calendar alerts you to deadlines that you need to meet to keep your plan compliant.

### Retirement plan calendar

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>01.01</td>
<td>Allow eligible employees to enter quarterly and semiannual plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secure a fiduciary bond equal to 10% of a plan's assets or generally a maximum amount of $500,000²</td>
</tr>
<tr>
<td></td>
<td>01.31</td>
<td>Deliver Form 1099-Rs to participants so they can report prior year distributions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Report income tax withheld from distributions to the Internal Revenue Service (IRS) on Form 945</td>
</tr>
<tr>
<td></td>
<td>01.15</td>
<td>Determine if the plan is top-heavy – in favor of key employees³</td>
</tr>
<tr>
<td>February</td>
<td>02.28</td>
<td>File hard copies of Form 1099-Rs with the IRS for prior year distributions</td>
</tr>
<tr>
<td>March</td>
<td>03.01</td>
<td>Refund contributions that exceed Section 402(g) limits to participants who request payment of the excess from a specified plan</td>
</tr>
<tr>
<td></td>
<td>03.15 (continued)</td>
<td>File the prior year's employer profit sharing and match contributions to take a tax deduction (with no corporate tax extension) for Dec. 31 of fiscal year-end plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>File tax deductible contributions and corporate tax returns along with applicable extensions</td>
</tr>
<tr>
<td></td>
<td>03.15</td>
<td>Return excess contributions and earnings due to participants to avoid a 10% excise tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Failing the actual deferral percentage (ADP) test requires the removal of excess 401(k) contributions and earnings by March 15 or two-and-a-half months after the end of the plan year for noncalendar-year plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Failing the actual contribution percentage (ACP) test requires the removal of excess 401(k) match or after-tax contributions and related earnings by March 15 or two-and-a-half months after the end of the plan year for noncalendar-year plans</td>
</tr>
<tr>
<td>April</td>
<td>04.01</td>
<td>Allow eligible employees to enter quarterly calendar-year plans</td>
</tr>
<tr>
<td></td>
<td>04.15</td>
<td>Make RMD payments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distribute excess 402(g) deferral amounts due to participants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>File taxes for partnerships and sole proprietors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>File taxable-deductible contributions and tax returns</td>
</tr>
<tr>
<td>June</td>
<td>06.29</td>
<td>File Securities Exchange Commission Form 11-K for plans offering employer stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anticipate the plan entry date for eligible employees for semiannual plans</td>
</tr>
</tbody>
</table>

¹ Dates are subject to change. This calendar should not be considered representative of all events that need to be considered. Please note this is a calendar-year plan table; noncalendar-year plan dates may be different. Not every action shown on the calendar applies to every plan.

² Assets are determined Jan. 1 each year.

³ The determination date is the last day of the preceding year or, in the plan's first year, the last day of that year.
## Retirement plan calendar (continued)

<table>
<thead>
<tr>
<th>July</th>
<th>07.31 (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07.01</td>
<td>Allow eligible employees to enter quarterly and semiannual calendar-year plans</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>07.31</td>
<td>File Form 5500 with the IRS for plans with Dec. 31 plan year end</td>
</tr>
<tr>
<td>August</td>
<td></td>
</tr>
<tr>
<td>08.01</td>
<td>Review mid-year ADP/ACP test results for potential excess contribution and earnings problems, and plan to correct them</td>
</tr>
<tr>
<td>September</td>
<td></td>
</tr>
<tr>
<td>09.15</td>
<td>Make required contributions for money purchase pension, target benefit, and defined benefit plans (eight-and-a-half months after plan year end) and prior year employer profit sharing and match contributions for those sponsors who filed a corporate tax extension</td>
</tr>
<tr>
<td></td>
<td>File tax-deductible employer contributions</td>
</tr>
<tr>
<td>October</td>
<td></td>
</tr>
<tr>
<td>10.01</td>
<td>Allow eligible employees to enter quarterly calendar-year plans</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>10.03</td>
<td>Provide 401(k) plan safe harbor notice between Oct. 3 and Dec. 1(^1)</td>
</tr>
<tr>
<td></td>
<td>Notify participants at least 30 but no more than 90 days before the start of the plan year</td>
</tr>
<tr>
<td>November</td>
<td></td>
</tr>
<tr>
<td>11.01</td>
<td>Distribute SIMPLE IRA plan notice to participants for the following year</td>
</tr>
<tr>
<td>December</td>
<td></td>
</tr>
<tr>
<td>12.01</td>
<td>Provide participants with the following year’s safe harbor notice 30 to 90 days before the start of the plan year</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>12.15</td>
<td>Distribute SARs for 5500 extenders</td>
</tr>
</tbody>
</table>

---

1 Employers who want the ability to provide a safe harbor qualified nonelective contribution (QNEC) must provide a 401(k) plan safe harbor contingent notice to eligible employees.
You can manage fiduciary risk
Fortunately, fiduciary risk, like many business risks, can be managed and reduced. The basic concepts and processes discussed in this guide – along with guidance from your financial advisor, legal counsel and other professionals – can help you understand how plan documents, investment selection and employee communication fit together to help you:

- Maximize the value of your company’s retirement plan for your participants.
- Follow a systematic approach to fiduciary responsibility that helps you and your company manage risk.

Invesco can help
Invesco can help you with managing fiduciary responsibility. For more information contact your financial professional.
This guide is not intended to be legal or tax advice or to provide a comprehensive discussion of DC plans or other types of tax-qualified retirement plans. It is intended only as a general, nontechnical summary of certain basic concepts applicable to DC and other types of tax-qualified retirement plans.

Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.

Diversification does not guarantee a profit or eliminate the risk of loss.