

## Guide for Plan Sponsors (GPS)

As a plan sponsor, understanding your fiduciary responsibility and the decisions that come along with it is no easy task. However, having a disciplined approach around your key activities and decision-making process can help. Use this guide regularly as a resource to assist you in maintaining a disciplined process and documenting your key fiduciary activities.

**Important Note:** This guide’s principal purpose is to serve as an overview to help you get started with the management of your fiduciary responsibilities. The steps and procedures plan sponsors must follow are unique to each individual plan. You should not rely solely on this guide in determining whether or not you have fulfilled your fiduciary duties as plan sponsor. Consult with an attorney or other advisors for guidance on your particular situation.

# STEP 1

## Managing Fiduciary Roles & Procedures

A critical first step to begin grasping your fiduciary responsibilities is to establish an overarching framework that will govern all plan fiduciaries and their activities. The key to this step is identifying and educating fiduciaries and committees as to their roles and responsibilities to the plan.

Action Item	Completed	As of Date	Important Notes
Formalize fiduciary identification and selection process criteria	<input type="checkbox"/>		
Identify current fiduciaries, both internal and external, and notify those persons who may not be aware that they are fiduciaries	<input type="checkbox"/>		
Consider forming one general committee or several separate committees to oversee various plan functions	<input type="checkbox"/>		
Formalize day-to-day and recurring fiduciary and committee functions (i.e., administration, investment selection and participant communication strategy)	<input type="checkbox"/>		
Designate additional fiduciaries as deemed necessary	<input type="checkbox"/>		
Meet individually with current and new fiduciaries to review roles, obligations and plan procedures (use BlackRock’s GPS as a guide to help with these conversations)	<input type="checkbox"/>		
Establish written fiduciary meeting procedures (frequency, voting rules, documentation of minutes, etc.)	<input type="checkbox"/>		
Keep current records of each committee’s composition	<input type="checkbox"/>		
Record all meeting minutes with fiduciaries and committees	<input type="checkbox"/>		
Hold mandatory educational meetings at least annually with all fiduciaries and committees	<input type="checkbox"/>		
Hold annual “plan summit” to review overall state of the plan including administration, recordkeeping, investments, participant communication and trust services	<input type="checkbox"/>		

# STEP 2

## Plan Administration & Operational Compliance

The Employee Retirement Income Security Act (ERISA) requires that retirement plans operate in strict accordance with the plan document's provisions. A comprehensive review of the plan document is critical to ensuring your ongoing fiduciary compliance. Plans should be reviewed and restated in light of legislative changes or internal organization shifts.

Action Item	Completed	As of Date	Important Notes
Ensure IRS-compliant plan document is filed and accompanied by one of the following: favorable determination letter, favorable IRS opinion letter, or advisory letter	<input type="checkbox"/>		
Ensure plan is being operated in line with recent legislative changes including the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and Pension Protection Act of 2006 (PPA)	<input type="checkbox"/>		
Review day-to-day plan procedures for accuracy of participant deferral limits, contribution maximums and catch-up contributions	<input type="checkbox"/>		
Review and file Form 5500 including 404(c) statements if applicable	<input type="checkbox"/>		
Implement monitoring schedule for reviewing plan documents	<input type="checkbox"/>		
Review plan document regularly to ensure plan is being operated in line with any legislative changes or internal organization shifts	<input type="checkbox"/>		
Restate plan document to incorporate any necessary changes	<input type="checkbox"/>		
Generate and file detailed meeting minutes	<input type="checkbox"/>		

# STEP 3

## Selecting & Monitoring Plan Investments

Plan sponsors are required to monitor all aspects of a plan's investments for continued suitability, adequate performance and reasonable fees. Work with your financial professional to make sure you have the correct tools and information you need to make informed decisions.

Action Item	Completed	As of Date	Important Notes
Evaluate requirements for developing an investment menu: <ul style="list-style-type: none"><li>▶ Analyze investment fees and expenses</li><li>▶ Select investments according to terms established in the Investment Policy Statement (IPS)</li><li>▶ Designate a default investment that meets requirements of a Qualified Default Investment Alternative (QDIA)</li></ul>	<input type="checkbox"/>		
Document plan decision making as it relates to the addition/deletion of plan investment options	<input type="checkbox"/>		
Develop and incorporate criteria into a written IPS outlining acceptable plan investment strategies	<input type="checkbox"/>		
Work with your financial professional to conduct periodic investment reviews for suitability, diversification, performance and fees	<input type="checkbox"/>		
Ensure QDIA options meet current Department of Labor (DOL) definitions.	<input type="checkbox"/>		

# STEP 4

## Selecting & Monitoring Service Providers

---

Plan sponsors are required to periodically monitor all persons and entities that provide services to the plan and must assess criteria such as performance standards and fee suitability. Ultimately, you must ensure all service providers are meeting their obligations and responsibilities to the plan.

Action Item	Completed	As of Date	Important Notes
Evaluate the plan's needs and constraints	<input type="checkbox"/>		
Record criteria for evaluating providers and methodology for provider selection	<input type="checkbox"/>		
Solicit proposals from high-quality service providers	<input type="checkbox"/>		
Analyze providers and evaluate based on established provider selection criteria	<input type="checkbox"/>		
Ensure service contracts are in place with all providers that clearly outline each party's responsibilities and fees for services provided	<input type="checkbox"/>		
Establish and maintain archive of old service contracts and keep new contracts on file	<input type="checkbox"/>		
Ensure salary deferrals and loan repayments are being correctly invested/reinvested	<input type="checkbox"/>		
Hold meetings with each provider at least annually	<input type="checkbox"/>		
Regularly review appropriateness of each provider's fee structure <ul style="list-style-type: none"><li>▶ Separate fees for each provider: recordkeeper, administrator, corporate trustee (if applicable)</li><li>▶ Benchmark fees against similar plans</li><li>▶ Take into account the plan's profile (i.e., the plan size, nature of the investment options offered and service levels)</li></ul>	<input type="checkbox"/>		
Ensure each service provider is meeting obligations and replace if necessary	<input type="checkbox"/>		
Generate and file detailed minutes of all meetings with providers	<input type="checkbox"/>		

# STEP 5

## Providing Participant Education & Disclosure

Plan sponsors are required to communicate a vast amount of information to plan participants. In addition to providing education on general plan benefits, retirement planning and investment options, you must also provide participants with several key plan disclosure documents on a regular basis. Your service providers may be able to help with some of this responsibility. Remember to keep track of communication so that all mandatory disclosure is distributed in a timely manner.

Action Item	Completed	As of Date	Important Notes
Review and understand requirements of 404(c) compliance	<input type="checkbox"/>		
Establish an effective communication plan for participants and outline the responsibilities of service providers in this process	<input type="checkbox"/>		
Provide alternate ways to distribute participant education (i.e., participant website)	<input type="checkbox"/>		
Provide education on the overall benefits of plan participation	<input type="checkbox"/>		
Fully explain investment options, including objectives, risk/return characteristics and performance	<input type="checkbox"/>		
Provide general financial planning and information to help participants estimate retirement income needs and assess the effect of various asset allocations on those needs	<input type="checkbox"/>		
If intending to comply with 404(c), ensure all required communication is distributed to participants and "upon request" materials are readily available	<input type="checkbox"/>		
Verify all required information is disclosed to participants to comply with 404(c)	<input type="checkbox"/>		
Conduct plan participant seminars at least annually. Keep a list of those participants that attend.	<input type="checkbox"/>		
Keep records of employee communication (retain copies of all education material and date it was used)	<input type="checkbox"/>		
Evaluate success of employee education communication plan by monitoring increase in enrollment and participation	<input type="checkbox"/>		

*The information provided here is believed to be accurate and is neither tax nor legal advice. Please advise plan sponsors to consult with an attorney or other advisors for guidance on their particular situation.*

**FOR MORE INFORMATION:** [www.blackrock.com](http://www.blackrock.com)

BlackRock is a registered trademark of BlackRock, Inc. All other trademarks are the property of their respective owners.

FOR PLAN SPONSOR USE ONLY. Not to be shown or distributed to clients.

Prepared by BlackRock Investments, LLC, member FINRA.

©2010 BlackRock, Inc. All Rights Reserved.

**Not FDIC Insured • May Lose Value • No Bank Guarantee**