

# 3(16) Fiduciary Services

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The logo for DEFINITI, featuring a stylized square icon with a green and white gradient to the left of the word "DEFINITI" in white, uppercase, sans-serif font.

DEFINITI

# 3(16) Fiduciary

A **3(16) fiduciary** is a service provider hired by an employer to manage the day-to-day administrative work for a 401(k) plan.

A **3(16) fiduciary** works with the Plan Sponsor to ensure that the plan is created and managed according to the criteria set forth by ERISA.

# Who Benefits from a 3(16) Fiduciary?

*Clients who are busy running company, no time to focus on a Retirement Plan*

*Clients who are concerned with compliance and Fiduciary risk*

*Clients who have limited staff and need help monitoring activities (Payroll, notices, etc.)*



# 3(16) Fiduciary Services

3(16) Administrator Services	PREMIUM	BASE
The Fiduciary Studio named 3(16) Administrator	●	●
Confirm revisions to Summary Plan Description and participant disclosures	●	●
Monitor timeliness of plan amendments and restatements	●	●
Conduct an Annual Review of the plan with plan sponsor	●	●
Review Qualified Domestic Relations Orders	●	●
Determine eligibility dates, notify employer and/or employee	●	
Auto enrollment: manage programs, increases and opt-outs	●	
Review vesting and monitor forfeitures annually	●	
Monitor up to 26 payrolls/year with custodian accounts	●	
Monitor employer contribution funding	●	
Review participant distributions and participant loans	●	
Review and sign Form 8955-SSA as required	●	
Review and sign Form 5500 and related schedules	●	
Ensure all required annual nondiscrimination testing is completed and documented	●	
— Optional — Email distribution of participant enrollment notices and annual materials	●	●
— Optional — Mass emails to participants	●	●
— Optional — Payroll upload services	●	

Governance Services	GOVERNANCE
Maintain library of signed Plan and administrative documents	●
Establish an Investment Policy Statement and Education Policy Statement for the Plan	●
Produce and maintain Investment Committee minutes	●
Benchmark Plan investments v. market indexes	●
Verify adequate bond coverage as required by ERISA	●
Insurance: No charge defense of IRS / DOL audits	●



# 3(16)



A 3(16) fiduciary generally handles administrative functions, such as reporting and disclosure requirements. A vendor who serves as a 3(16) is responsible for ensuring that the plan is created and managed according to the criteria set forth in the Employee Retirement Income Security Act (ERISA)



A 3(16) fiduciary's duties may range from processing hardship withdrawals, creating and updating summary plan descriptions, sending participant notices and disclosures, and filing the Form 5500.



# Who Does What?

## Plan Sponsor

- Main Contact for Participants and Service Providers
- Provide timely information to TPA/3(16)
- Responsible for any investment related requirements (with FA)
- Make timely contributions

## TPA

- Plan Design Consulting
- Plan Document Notices
- Annual Administration
- Perform Nondiscrimination testing
- Create Form 5500
- Submit Payroll files (*if elected*)
- Participant Withdrawal services

## 3(16) Fiduciary

- Main point of contact
- Co Fiduciary on Administrative issues
- Ensure that Plan Documents are up to date
- Distribute notices if applicable
- Reviews Annual Administration for completeness
- Signs 5500
- Ensures timely Payroll processing
- Reviews Participants Withdrawals

## Recordkeeper / Financial Advisor

- Participant Education
- Participant website support
- Investment Fund notice
- Administrative Forms



# Thank you!

