



3(16) Administrative Fiduciary Outsourcing

powered by ERISA SMART™

Understanding Administrative Fiduciary Outsourcing

QPS has partnered with ERISA SMART Fiduciary Services to provide 3(16) Administrative Fiduciary Services for our client's 401(k) Plans. The outsourced fiduciary administrator steps into your shoes and can take on the day-to-day plan responsibilities, which in turn allows you to focus on running your business.

What is a plan fiduciary?

A fiduciary is a person who assumes certain liabilities of the oversight and administration of an ERISA covered retirement plan such as a 401(k).

A Former DOL Investigator's Perspective

Smart marketing and packaging often leaves plan sponsors believing they have outsourced their fiduciary liability, when in fact they haven't. As a fiduciary it is your responsibility to be expert like in all decisions affecting the plan. Poor choices can lead to fines and penalties.

It's All in the Fine Print

Everything you need to know is in the service agreement. An agreement should clearly outline the tasks that will be assumed and the fiduciary status of the provider.

How Do You Manage Plan Risk?



What are the Main Differences?

3(16) Services (Non-Fiduciary)

- Not a fiduciary of the plan
- A contractual obligation to perform services
- Not held liable by the DOL or IRS
- Must be civilly enforced if an error occurs
- Does not reduce fiduciary liability

3(16) Services (Fiduciary)

- Assumes fiduciary responsibility
- A fiduciary obligation to perform services
- Held liable for errors by the DOL or IRS
- Considered a fiduciary for litigation if the plan is sued.
- Reduces fiduciary liability
- ERISA SMART IS A 3(16) Fiduciary

The 3(16) Administrative Fiduciary Services can be added to your Plan services ANYTIME!

Contact us today for a quote or with any questions you may have!

*We have 360° Payroll Bridge services available, also powered by ERISA SMART, that work seamlessly in conjunction with Plan Administration and 3(16) Administrative Fiduciary Services.

Damon Harper

Retirement Plan Design Consultant

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3(16) Services

Sample Task List of 3(16) Administration Services	
Plan and Participant Required Notices	
404(c) Participant Disclosures	Included
Electronic Communications Notice	Included
Qualified Default Investment Alternative Notice	Included
Automated Contribution Arrangement Notice (ACA)	Included
Qualified Automatic Contribution Arrangement Notice (QACA)	Included
Eligible Automatic Contribution Arrangement Notice (EACA)	Included
Blackout Notices	Included
Safe Harbor Notices	Included
Plan Documents Services	
Interpret Plan Document Provisions	Included
Review and Approve Summary Plan Description (SPD)	Included
Review and Approve Material Modifications (SMM)	Included
Coordination of Plan Document Amendments	Included
Review and Approve Summary Annual Report	Included
Review Document Restatement	Included
Administer Loan Policy	Included
Review Fidelity Bond Coverage	Included
Participant Management Services	
Loan Default Monitoring	Included
Missing Participant Search	At Cost
Vesting Verification	Included
Hardship Suspension Monitoring	Included
Distribution Services	
Corrective Refund Distributions	Included
In-service Distributions	Included
Hardship Withdrawals	Included
Participant Loans	Included
Qualified Domestic Relations Orders(QDRO)	Included
Required Minimum Distributions (RMD)	Included
Separation from Service Distributions	Included
Force Out Distributions	Included
Government Reporting	
Review and Sign Form 5500	Included
Review and Sign Form 8955-SSA	Included
Review Annual Report	Included
Review and Approve Annual Employer Contributions	Included
Large Plan Audit Review and Assistance	Included