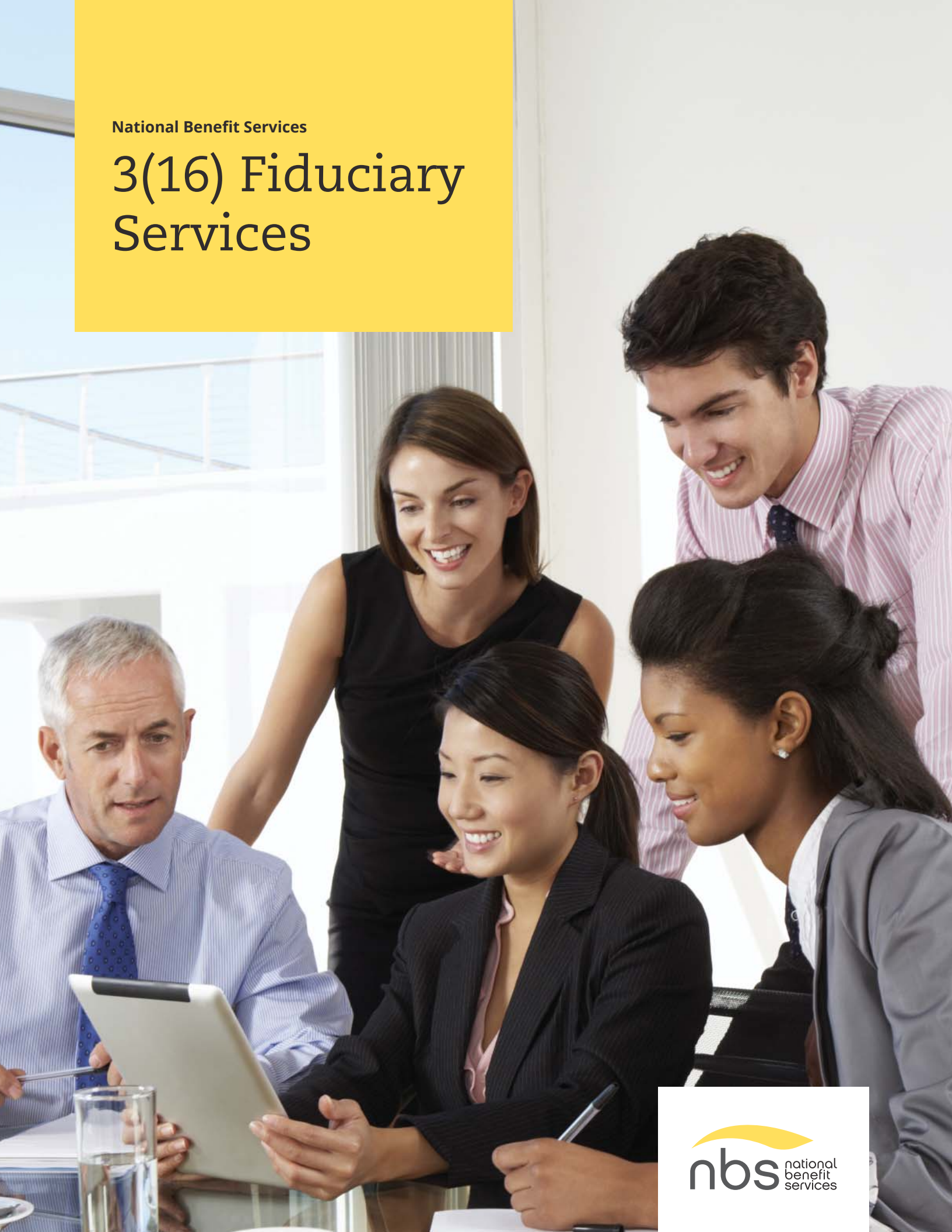


National Benefit Services

3(16) Fiduciary Services



fiduciary

1) n. from the Latin fiducia, meaning trust, a person who has the power and obligation to act for another under circumstances which require total trust, good faith and honesty.

It's About Trust

You offer a retirement plan not only to attract and retain good employees, but also because you care about your employees' financial wellness as they prepare for retirement. Your employees trust you to administer the plan with the highest standard of care and to act prudently on their behalf.

You are a fiduciary for your qualified retirement plan.

As a fiduciary, you have obligations established by the Employee Retirement Income Security Act (ERISA). A fiduciary must discharge his duties, "with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." (ERISA §404(a)(1)(8)). For small and large employers, compliance can be time consuming. You may not even be aware of some aspects of your responsibility.

Plan Sponsor Fiduciary Responsibilities Include:

- 1** Act in the best interest of plan participants for the management of plan and plan investments.
- 2** Operate the plan in compliance with the plan document and IRS and Department of Labor (DOL) rules.
- 3** Send required notices to participants in a timely manner.
- 4** Review, approve, and sign IRS and DOL filings.
- 5** Remit contributions in a timely manner.
- 6** Approve plan transactions including loans, distributions, corrections, hardships, and Qualified Domestic Relations Orders (QDROs).
- 7** Ensure that the plan is paying reasonable fees for services.
- 8** Be bonded and maintain fiduciary liability insurance.



Using a 3(16) Plan Administrator

You will always have fiduciary status and liability when it comes to your qualified retirement plan, but you can delegate some of your fiduciary tasks to trusted experts who can ease your burden and shoulder some of the liability.

Why partner with experts?

- **Shift liability:** The DOL allows a fiduciary to hire a service provider to handle some fiduciary functions. The service provider then assumes liability for the functions they handle.
- **Free up your team:** Your HR team has a long list of responsibilities and these fiduciary tasks can be some of the most demanding. Provide them the support they need and allow them to focus on other pressing issues within your company.
- **Peace of mind:** Fiduciary regulations are strict and scrutiny has increased. Non-compliance may result in costly penalties assessed by both the IRS and the DOL.

Section 3(16) of ERISA indicates that the term “administrator” means either the plan sponsor or the person designated as the plan administrator. The plan administrator is required to fulfill certain reporting and disclosure obligations for the plan.



Which fiduciary services does NBS offer?

Government Filings

- ✓ Review Form 5500 for completeness and accuracy.
- ✓ File Form 5558 (extension to file) as needed.
- ✓ Ensure timely filing of Form 8955-SSA (the summary of terminated participants with a vested benefit).
- ✓ Sign and File Form 5500.

Approve Transactions

- ✓ Ensure loans and distributions are being processed in accordance with IRS and DOL regulations and plan provisions.
- ✓ Monitor the timeliness of transactions processed by the TPA and recordkeeper.
- ✓ Review and approve loan requests to confirm eligibility, amount, duration, and terms.
- ✓ Evaluate substantiation and documentation of hardship distribution requests and verify hardship eligibility and amount.
- ✓ Determine whether domestic relations orders are qualified.
- ✓ Ensure processing of QDROs is consistent with terms of the plan and calculations in the signed order.
- ✓ Approve all plan distributions after preparation by TPA processing team.
- ✓ Confirm processing of corrective distributions.

Notices

NBS will document, in a fiduciary file, the delivery of all required notices to required recipients. NBS will send hard-copy notices to plan participants as required by the DOL, *when requested*.

- ✓ Summary Annual Report (SAR)
- ✓ Summary Plan Description (SPD)
- ✓ Safe Harbor Notice
- ✓ Annual Qualified Default Investment Alternative (QDIA)
- ✓ Summary of Material Modifications (SMM)
- ✓ Automatic Enrollment Notice
- ✓ Participant Fee Disclosures

The NBS package of fiduciary services gives you peace of mind that your plan is being managed with professional care and attention to detail.

Plan Documents

- ✓ Review plan documents and amendments with the plan sponsor and make recommendations in the best interest of the plan.
- ✓ Sign plan documents.
- ✓ Retain current and historical plan documents.
- ✓ Sign plan amendments.

Fidelity Bond and Liability Insurance Coverage

- ✓ NBS fiduciary services are covered by fiduciary liability insurance adequate to protect the plan.
- ✓ Assist the plan sponsor in obtaining appropriate fiduciary liability insurance.
- ✓ Periodically review the ERISA bond for appropriate coverage based on the plan assets and terms of the bond.

Audit Support

- ✓ Review completed audit report provided by independent auditors prior to the filing of Form 5500.
- ✓ Coordinate the gathering and packaging of information relating to IRS audit or DOL investigation.
- ✓ Respond to the IRS or DOL in the event of an information request, audit, or investigation.

Plan Contributions

- ✓ Monitor the timeliness of employee contributions and loan payments.
- ✓ Verify employer contributions are calculated in accordance with the terms of the plan document and deposited into the participant accounts timely.

Plan Committee Meetings

- ✓ Coordinate regular plan committee meetings to maintain proper plan governance.
- ✓ Ensure minutes from plan committee meetings are documented in the fiduciary file.
- ✓ Conduct annual fiduciary training for plan committee members.

Work with experts.

At NBS, we are experts with retirement plan administration. We have been administering retirement plans for over 30 years. In our role as a Third-Party Administrator, we are involved in the day-to-day of retirement plans, we see the pitfalls for plan fiduciaries, and we administer the plan to help avoid compliance missteps. As a 3(16) Plan Administrator, we can go even further in helping you fulfill your fiduciary responsibilities and reduce the amount of time you spend administering the plan.

Trust NBS for fiduciary and TPA services.

Requirement	Plan Sponsor	NBS Fiduciary	TPA
ERISA bond and fiduciary liability insurance	✓	✓	
Consult on plan design			✓
Prepare documents			✓
Review, approve, and sign plan documents as Plan Administrator		✓	
Review, approve, and sign plan amendments		✓	
Prepare required notices and SAR			✓
Deliver notices to participants*		✓*	
Calculate eligibility	✓		
Prepare and send contributions	✓		
Process contributions			✓
Monitor timeliness of contributions		✓	
Provide data to support compliance testing	✓		
Perform compliance tests			✓
Review compliance testing		✓	
Form 5500 and 8955-SSA preparation			✓
Form 5500 and 8955-SSA signing		✓	
Form 5500 and 8955-SSA filing			✓
Process transactions			✓
Approve transactions		✓	
Prepare corrective distributions			✓
Approve corrective distributions		✓	
Select and monitor plan investments	✓		
Select and monitor service providers	✓		
Select independent auditor	✓		
Support IRS, DOL, and independent audits	✓	✓	✓

*Additional fee applies

Meaningful experience means real results.

We are committed to delivering effective solutions for our clients. We have a proven track record of success, serving over 20,000 employers nationwide in third-party benefit administration. Since 1986, we have partnered with brokers and financial advisors to help design and service benefit packages that provide tax advantages to employers and their employees.

We administer a wide range of plans including 401(k), 403(b), Multiple Employer Plans, HSA, FSA, HRA, as well as COBRA Administration and Common Remittance.



- NBS demonstrates a high level of service excellence in receiving the prestigious distinction of the ASPPA Service Provider Certification from The Centre for Fiduciary Excellence each year.



- Every year NBS meets the rigorous standards of the SOC1 and SOC2 audit requirements. NBS takes seriously the commitment to keep your data and funds secure. Workflow systems, processes and technology infrastructure are built for data and financial integrity.



- The average tenure of employees in the NBS Fiduciary Services Department is 14 years. The team is highly experienced and has achieved several designations, including: QKA, QPA, ERPA, APR, APA, MBA, AIF, TGPC and CPFA.

For more information, please call

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