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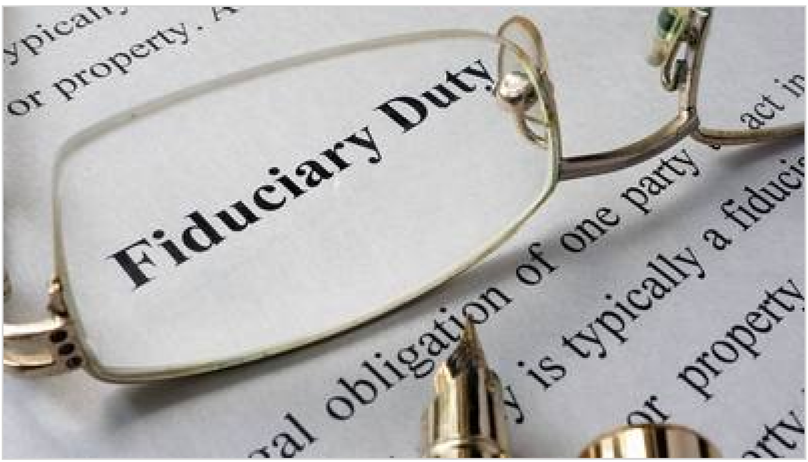
# Keep this top of mind: You are a fiduciary

By: Pensions & Investments
Published: August 7, 2017




A J.P. Morgan Asset Management survey of defined contribution plan sponsors found a lot of good news and some worrying news.

First the worrying news: Too many executives overseeing defined contribution plans still do not realize they are fiduciaries. This must change, if only for the good of the executives themselves.

The survey, done in January, found that 43% of the respondents were not aware that they were fiduciaries, a figure unchanged from the previous survey conducted in 2015. Thirty-seven years after the advent of the modern defined contribution plan, with all the regulations put out by the Department of Labor, that is a surprising and dismaying statistic.

The problem likely could be explained by the turnover in executives and trustees overseeing the plans. New executives and trustees are not getting the word that they are now fiduciaries.

The DOL must step up regular communications targeted at DC plan executives alerting them to this fact, reminding them what the responsibilities of fiduciaries are and citing the potential personal cost of failing to fulfill those responsibilities.

Consultants, record keepers and money managers also have roles to play in keeping DC plan executives and trustees aware that they are fiduciaries. These executives have regular contact with officials of DC plans, generally at quarterly review meetings, and therefore have many opportunities to remind them of their fiduciary status. Many also send out newsletters that could be used to reinforce the message.

While plan executives generally try to do a good job for their beneficiaries, regular reminders of their fiduciary status could cause them to focus more intently on rooting out plan weaknesses.

In the good news department, the survey's other findings showed plan sponsors are focused on the issue of helping employees accumulate retirement income. Some 64% have implemented auto enrollment, 62% offer target-date funds and 50% have set up automatic escalation of employee contributions.

The figures show the defined contribution plan universe is becoming healthier for the benefit of workers.

**Original Story Link:** http://www.pionline.com/article/20170807/PRINT/170809929/keep-this-top-of-mind-you-are-a-fiduciary

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