

An Advisor's Guide to TRA's 3(16) Fiduciary Services

Simplified & Streamlined Retirement Plan Administration

For Plan Advisor Use Only

2021

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How We Help Your Clients

We Make Plan Administration Easy

Administering a retirement plan can be challenging and time-consuming for many businesses. Many companies struggle to keep up with their legal responsibilities as fiduciaries. In fact, some of your clients may not fully understand all the aspects of these responsibilities.

As an administrative service provider to your clients' retirement plans, The Retirement Advantage, Inc. (TRA) is uniquely positioned to assist them. Through our 3(16) Fiduciary Services program, your clients can transfer some of their fiduciary responsibilities to us.

Your clients can also outsource select administrative functions to TRA, relieving them of many of the day-to-day duties associated with sponsoring a plan.



Don't Miss This Opportunity!
To Alleviate Your Clients Administrative Responsibilities
 Contact your TRA Regional Sales Consultant (RSC) directly.

Fiduciary Basics

Before we take a closer look at TRA's services, let's briefly review fiduciary responsibilities that are important for your clients to understand.

What Is a Fiduciary?

The Employee Retirement Income Security Act of 1974 (ERISA) set the standards of conduct for those who manage a retirement plan and its assets. A person or entity that manages a plan and its assets is called a fiduciary.

A fiduciary must abide by these standards of conduct:

- Act solely in the interest of plan participants and beneficiaries
- Act with care, skill, prudence and diligence
- Diversify the investments of the plan
- Administer the plan in accordance with the plan documents and instruments
- Evaluate the reasonableness of fees and charges paid by the plan

Every retirement plan must have at least one named fiduciary. For most plans, the business owner or plan sponsor serves that role and is always considered a fiduciary — even if a plan document names other fiduciaries or if the plan sponsor hires others to assist them with their responsibilities.

Are There Different Types of Fiduciaries?

There are three different types of fiduciary responsibilities: 3(21), 3(38) and 3(16).

A 3(21) fiduciary includes anyone who manages plan assets or provides investment advice for a fee. A 3(38) fiduciary has full discretion over and assumes fiduciary liability for a plan's investments. As a plan advisor, you are likely familiar with both of these fiduciary roles.

In contrast, a 3(16) fiduciary's role focuses on a plan's administrative functions; for example, reporting and disclosure requirements. With our 3(16) fiduciary services, your clients designate most or all of these responsibilities to be performed by TRA.

We Make It Easy To Manage 3(16) Responsibilities



How We Help You

Our plan administration services benefit you, as well. As a plan advisor, you are responsible for selecting and monitoring appropriate plan investments, conducting enrollments and maximizing participation. You may also be involved with the programs designed to ensure the savings health for each of your clients and their employees.

That's a lot — and you don't need any distractions from these key roles, which can happen when your clients are assuming all their 3(16) fiduciary responsibilities and look to you for help. When your clients participate in our fiduciary services, TRA takes this burden off your shoulders. You also enhance your role as a trusted plan advisor who:

- Focuses on your clients' needs to simplify and streamline administrative burdens.
- Offers a proven solution to help manage fiduciary risk.

Why Your Clients Should Choose TRA

When your clients enroll in our 3(16) fiduciary services, they (and you) can be confident that they are working with one of the industry's leading providers.

Your clients can be sure that their plans are adopting mandated requirements, meeting deadlines and are staying in compliance. And, at the same time, they — and their employees — will have more time to concentrate on their business.

At TRA, we:

- Perform data checks regularly to ensure accuracy
- Provide the highest level of client service
- Integrate with leading payroll providers



Managing Fiduciary Responsibilities

When your clients enroll in our 3(16) fiduciary services we help mitigate their risk by supporting them with over 30 administrative responsibilities.

	Standard TPA Services	TRA's 3(16) Services
Custom plan design and consulting	✓	✓
Draft plan document and Summary Plan Description	✓	✓
Update plan document for IRS/DOL laws	✓	✓
Verify required annual employer contributions	✓	✓
Allocate year-end contributions and forfeitures	✓	✓
Complete year-end required compliance testing	✓	✓
Prepare Form 5500	✓	✓
Prepare participant notices and disclosures	✓	✓
Interpret plan document		✓
Notify plan administrator of any observed plan irregularities		✓
Review fidelity bond for compliance with ERISA requirements		✓
Administer loan policy		✓
Approve corrective refunds		✓
Approve hardship withdrawals		✓
Approve in-service withdrawals		✓
Approve loans		✓
Approve Qualified Domestic Relations Order (QDRO)		✓
Approve Required Minimum Distributions		✓
Approve separation of service distributions		✓
Monitor loan defaults		✓
Reconcile participant level contributions with plan trust		✓
Determine eligibility *		✓
Review and upload vesting to plan providers		✓
Search for missing terminated participants <i>(as necessary)</i>		✓
Deliver distribution packages to lingering terminated participants		✓
Mail notices and disclosures to newly eligible employees		✓
Mail blackout notices to participants <i>(as necessary)**</i>		✓
Mail annual notices and disclosures to eligible employees		✓
Sign and file Form 5500		✓
Sign and file Form 8955-SSA <i>(if applicable)</i>		✓
Review large plan Form 5500 and audit report <i>(if applicable)</i>		✓
Manage involuntary distribution of small balances <i>(force-outs)</i>		✓
Monitor missing beneficiary designations <i>(if applicable)</i>		✓

*If using TRA approved payroll partner or client provides employee census on per payroll basis.

**Blackout notices will be the responsibility of the company during the implementation process unless complete census information is provided upon takeover.

Increased Oversight = Less Stress = Satisfied Clients

Your clients will appreciate you even more when you introduce them to TRA's plan administration services. When they transfer 3(16) fiduciary responsibilities to TRA, they avoid these ten common plan audit failures *and* have more time to focus on making their businesses as successful as they can be.

	Common Plan Audit Failures	Monitoring Responsibility	
		Without TRA	With TRA's 3(16) Services
1	Failure to update plan document	Plan Sponsor	TRA
2	Failure to follow the terms of the plan document	Plan Sponsor	TRA
3	Incorrect eligibility determination	Plan Sponsor	TRA
4	Incorrect hardship withdrawal approvals	Plan Sponsor	TRA
5	Incorrect application of loan provisions	Plan Sponsor	TRA
6	Failure to make required contributions	Plan Sponsor	TRA
7	Failure to file Form 5500	Plan Sponsor	TRA
8	Uncorrected testing failures	Plan Sponsor	TRA
9	Untimely or failure to send required notices	Plan Sponsor	TRA
10	Failure to manage involuntary distributions	Plan Sponsor	TRA

More Value for Less Cost

Your clients will also appreciate that they can access the benefits of TRA's 3(16) fiduciary services economically.

Initial Set-Up/Annual Administration

Implementation: \$500

Annual Base Fee: \$1,000

Per Eligible Employee Fee: \$4

Distribution Services (Employer-Based Fees per Transaction)

Sponsor may retain the distribution approval role and not incur these fees.

Distributions (Regular, Pre-Retirement and Corrective): \$25

Loans: \$25

Hardship & Required Minimum Distributions: \$50

QDRO: \$100

Miscellaneous

Services not included in packages - Hourly Rate

Printing, copying, postage, messenger, overnight delivery, address locator and travel expenses - At cost +10%

** Premier Advisors' clients receive a 50% discount off of Implementation and Base Fees.*

Your Trusted Partner

We actively listen, professionally consult, and deliver customized solutions. TRA works with you to design optimal retirement plans for your clients.

TRA is large enough to support over \$9 billion in retirement assets under our administration — but still small enough to still give you and your clients the personalized service you expect.

With our 3(16) fiduciary services, your clients can be sure that their plans are staying in compliance. And, at the same time, they will have more time to concentrate on what matters most, running their businesses.

Contact Your Regional Sales Consultant Today

Your TRA Regional Sales Consultant (<https://tra401k.com/rsc/>) stands ready to provide you with all the assistance and information you need to introduce our services to your clients.



Don't Miss This Opportunity! To Alleviate Your Clients Administrative Responsibilities

Contact your TRA Regional Sales Consultant (RSC) directly,
call 888.872.2364 or email sales@tra401k.com.

For more resources visit www.tra401k.com

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