

# Due Diligence Checklist

This Due Diligence Checklist is intended to provide general guidance on certain steps that plan sponsors may take to stay in connection with their fiduciary responsibilities. This checklist is in no way a complete list. Consult with your attorney for specific advice regarding fiduciary responsibilities and ERISA compliance.

## Plan Fiduciaries

- Meet annually at a minimum
- Maintain a due diligence file with notes, minutes, agenda and documentation of decisions
- Ensure that all fiduciaries are aware of their responsibilities under ERISA and that the investment fiduciaries are appointed in accordance with plan and trust documents
- Ensure that all eligible employees are included and that the plan collects and invests employee deferrals in a timely manner
- Ensure that the fidelity bond covers at least 10% of plan assets and that fiduciaries are carrying liability insurance to protect business and personal assets
- Review costs and understand all services provided—e.g., investment manager, fund companies and fees, plan administrator, advisors, consultants, etc.

## Plan Investments

- Put the investment policy in writing
- Review the investments
- Ensure the plan is adhering to the broad range requirement under 404(c)
- Document the review and discussion about placing investment options on a watch list, or removal per the procedures in the investment policy statement

## Communication

- Review employee enrollment programs and participation rates
- Measure participant understanding and address their needs accordingly
- Provide easy-to-use tools and asset allocation models to enhance their knowledge

## ERISA 404(c)

### Provide participants with...

- Summary plan description notifying them of...
  - Their ability to direct their own investments
  - Your intention to comply with ERISA 404(c)
  - Name, address and phone number of the fiduciary responsible for providing information upon request
- Information about each investment option in the plan
- Access to information regarding investment concepts—e.g., types of investments, risk/return, impact of time horizon, etc.—at least annually

This checklist is provided for informational purposes only. It is not intended provide authoritative guidance or legal advice. In no way will this checklist ensure compliance with ERISA or fiduciary responsibilities. Consult with your own attorney for guidance on your particular situation.