

A Fiduciary

A fiduciary is anyone who:

- Is specifically identified in the plan document as a fiduciary
- Exercises discretionary authority over the management and disposition of plan assets
- Renders investment advice for a fee
- Has discretionary authority or responsibility in the administration of the plan

When an employer establishes an ERISA plan, it (the employer) is the initial fiduciary. Typically it is the board of directors or corporate president who decides whether to appoint individuals or committees to be the plan's fiduciaries.

The appointment of a fiduciary is itself a fiduciary act. So, whoever appoints the officers or committee members has a duty to prudently select those persons and to periodically review their work to make sure they are doing their job.

In general, professional service providers offering legal, accounting or auditing, third-party administration or actuarial services are not considered fiduciaries because they do not exercise discretion or control over the plan.

If you have questions on whether you are a fiduciary please give us a call. Also, there is a process to reduce your exposure as a fiduciary.

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