

## Fiduciary Checklist: Action Items for Plan Sponsors

Use this checklist, prepared by The Wagner Law Group, to evaluate new and existing plans. For accompanying guides and resources to help you navigate the changing fiduciary landscape, visit the iShares 401(k) Fiduciary Resource Center at [www.iShares401k.com/fiduciary](http://www.iShares401k.com/fiduciary) or call the iShares Retirement Plan Sales Team at 1-888-450-4015.

Action Item for Plan Sponsor	Date Completed	Important Notes
<b>Plan Fees</b>		
Discuss specific fee-related duties under ERISA with advisor.		
Update plan's Investment Policy Statement (IPS) to include evaluation procedures for investment fees.		
Investment Fees: Obtain information on fund manager's qualifications, performance and operating expenses.		
Investment Fees: Obtain competitive pricing information for funds.		
Create plan's Fee Policy Statement (FPS) with evaluation procedures for administrative service fees.		
Service Fees: Obtain information on service provider's qualifications, services and fees.		
Service Fees: Obtain competitive pricing information (e.g., benchmarking, survey data).		
Service Fees: Confirm payment of service fees are authorized under terms of plan.		
<b>Due Diligence Review</b>		
Provide advisor with a copy of plan document, trust agreement and IRS determination letter.		
Confirm plan document and amendments have been timely executed.		
Provide copy of IPS and investment meeting minutes, or discuss if materials are not available.		
Provide sample enrollment kit for participants, and confirm investment and fee disclosures.		

Action Item for Plan Sponsor	Date Completed	Important Notes
<b>Due Diligence Review (continued)</b>		
Provide Form 5500 for the two most recent plan years and Summary Annual Report (SAR).		
Provide minimum coverage, ADP/ACP and top-heavy tests, or confirm plan design satisfies tests automatically.		
<b>Investment Menu</b>		
Discuss importance of plan's IPS with advisor.		
Review IPS to determine if changes are appropriate, including revisions to ensure flexibility of IPS provisions.		
Confirm plan's menu of options includes broad range of investment alternatives for plan participants.		
Confirm plan's IPS includes appropriate guidelines for menu diversification.		
Discuss value of ERISA 404(c) compliance with advisor.		
Gather relevant information supporting prudence of any investment recommendations provided by advisor.		
When transitioning to new investment menu, document menu mapping process.		
Commit to meeting regularly to ensure plan investments remain suitable and prudent.		
<b>Investment Duties</b>		
Identify and review specific fiduciary duties under ERISA's <i>Prudent Man Standard of Care</i> with advisor.		
Discuss Duty of Loyalty and importance of avoiding conflicts when selecting/monitoring investments.		
Review Duty of Prudence and how it requires procedural investigation of each plan investment.		
Discuss importance of substantive prudence and seeking advisor's investment advice, as necessary.		
Review Duty of Diversification and importance of ERISA Section 404(c) compliance.		
Discuss importance of reviewing investment fees under Exclusive Purpose Rule.		
Review duty to obey plan's terms under Governing Documents Rule.		

Action Item for Plan Sponsor	Date Completed	Important Notes
<b>Fiduciary Status</b>		
Discuss with advisor how certain consultants and advisors (e.g., brokers) provide non-fiduciary investment advice.		
Review how a plan sponsor can rely on fiduciary investment advice whenever it is reasonably justified.		
Confirm investment reviews are documented to demonstrate that reliance on advice is reasonably justified.		
If applicable, discuss significance of a plan's investment manager and formal requirements.		
Examine advisory contract to ensure roles of sponsor and advisor are properly outlined.		
Determine if plan sponsor exercises its investment authority as Named Fiduciary or Trustee, and ensure fiduciary agreements/ documents reflect this distinction.		
<b>Fiduciary Liability</b>		
Discuss ERISA fiduciary and co-fiduciary liability rules and respective roles of sponsor and advisor.		
Review coverage under plan's ERISA fidelity bond, including coverage for third parties.		
If applicable, review protection available under fiduciary investment "warranty" offered by full service provider.		
Determine if plan's administrative provider is delivering ERISA 404(c) investment disclosures to participants.		
Confirm plan's administrative providers have been selected prudently.		
Review limitation-of-liability provisions in service contracts for ERISA compliance.		
<b>Rollover Assets</b>		
Discuss with advisor how no distribution/rollover recommendations can be provided at plan meetings.		
Review advisor's ability to provide general education to participants on availability of rollover option.		
Discuss how rollover advice can be provided to participants separately at one-on-one meetings only.		
Review "sales" nature of advisor's encouraging individual participants to engage advisor for rollover services.		
Provide acknowledgement that advisor's personal services to participants, including rollover advice, are non-fiduciary in nature and outside of plan.		

