



PENTEGRA RETIREMENT SERVICES' PETE SWISHER TESTIFIED TO DEPARTMENT OF LABOR'S ERISA ADVISORY COUNCIL ON MANAGING OUTSOURCED FIDUCIARY RESPONSIBILITY

DOL REPORT RELEASED

White Plains, NY January 29, 2015 Pete Swisher, Senior Vice President of National Sales at Pentegra Retirement Service testified on August 19, 2014 to the Department of Labor's (DOL's) ERISA Advisory Council on trends in retirement plan fiduciary outsourcing. [The report](#) was released last week.

According to Swisher, "Employers want more help managing their retirement plans and the industry is gearing up to deliver it. But few employers or vendors fully understand the 3(16) administrator role and the nuances of managing a multiple employer plan (MEP)—the two primary sources of relief that will be the focus of the coming boom in fiduciary outsourcing."

Pentegra reports that outsourced fiduciary responsibility is a powerful tool beginning to take hold in the retirement plan marketplace. It allows employers who wish to shed responsibility, potential liability and the labor that goes with fiduciary status.

Of particular note was the following recommendation from the Council:

Facilitate the use of multiple employer plans and similar arrangements as a means of encouraging plan formation, including:

- Consider the benefits of multiple employer plans and similar arrangements in rulings, regulations and interpretations.
- Consider developing a sample structure for multiple employer plans that will help ensure that conflicts of interest, prohibited transactions, fiduciary independence and disclosure are addressed.
- Develop rules or safe harbors for multiple employer plan sponsors and adopting employers that would minimize their liability from acts of non-compliant adopting employers.

Swisher added, "Interest in fiduciary outsourcing is skyrocketing. It is not unreasonable to expect that, over the next five to ten years, the majority of employers will choose to outsource in whole or in part, either by hiring a professional fiduciary or by joining a multiple employer plan. To help employers make good decisions about outsourcing, the DOL may wish to update some of its plain language guides. And to protect participants, the DOL may want to make a careful study of the risks associated with outsourcing and make reasoned judgments about whether any additional rules or enforcement initiatives are needed."

Swisher is the author of *401(k) Fiduciary Governance: An Advisor's Guide* and a leading industry expert on fiduciary outsourcing.

About Pentegra

Pentegra Retirement Services is a leading provider of retirement plan and fiduciary outsourcing solutions to organizations nationwide. Founded by the Federal Home Loan Bank System in 1943, Pentegra offers a broad array of retirement plan solutions, including Multiple Employer Plans (MEPs) and Group Trusts, as well as single employer 401(k) plans, Defined Benefit Pension plans, Cash Balance plans, 412(e)(3) Fully Insured Defined Benefit plans, Split Funded Defined Benefit plans, KSOPs, ESOPs, Profit Sharing plans, Age-Weighted plans, New Comparability plans, 457(b) and 457(f) plans, 403(b) plans, 401(a) plans, Section 79 plans, Non-qualified Executive Benefit and Director plans, benefits financing solutions using BOLI and a broad array of TPA services. In addition Pentegra, through Pentegra Investors, Inc. also serves the needs of institutional investors, offering partial or complete investment outsourcing capabilities. For more information, go to www.pentegra.com.

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