



**For Immediate Release**

## **2018 Pentegra Survey: Advisors and 3(16) Fiduciary Outsourcing**

White Plains, New York, November 12, 2018 -- Today, Pentegra, a leading provider of retirement planning and fiduciary outsourcing solutions, [released a report](#) -- based on the results of a survey of retirement plan advisors -- to determine what their attitudes are toward ERISA 3(16) Fiduciary Outsourcing.

The new Pentegra survey of retirement plan advisors shows encouraging signs that understanding the ins and outs of 3(16) outsourcing are becoming more commonplace. In addition, while most employers are not aware that they can choose not to be the responsible fiduciary for plan administrator duties, survey evidence shows that they are learning they can outsource those duties.

According to Richard Rausser, Senior Vice President Client Services, Pentegra, "Retirement plan administration has become increasingly complex and laden with compliance burdens. For many employers, the commitment of time and energy is overwhelming and too often distracts from the more critical responsibility of running a business. As an advisor, it is a distraction from your business as well. Taking full responsibility as a 3(16) plan administrator can be a tall order," said Rausser. "But the Pentegra survey shows that employers and advisors alike are increasingly becoming aware that outsourcing is a prudent, safe option that can work to the benefit of all parties."

Highlights of the [report](#) include:

- Nearly all (over 80 percent) of advisors surveyed are familiar with 3(16) outsourcing
- 84 percent of advisors surveyed are considering recommending 3(16) administrative services
- Just over half (56 percent) of advisors' clients are receptive to 3(16) outsourcing services
- When asked what makes outsourcing services most attractive to clients, the number one answer was that it "mitigates retirement plan risks"
- 75 percent of advisors surveyed are actively discussing 3(16) fiduciary outsourcing with their clients

Under the guidelines of the Employee Retirement Income Security Act of 1974 (ERISA), a Section 3(16) fiduciary acts as the plan's administrator. Responsible for managing the day-to-day operations of the plan, the ERISA 3(16) Fiduciary is also responsible for all decisions related to a plan, unless otherwise delegated to another fiduciary. Fiduciary outsourcing involves the transfer of legal responsibility for a retirement plan from an employer to an institutional fiduciary. By hiring a competent 3(16) fiduciary, plan sponsors can insulate themselves against making the types of errors that can carry significant penalties both for the fiduciary/employer and the company itself.

### **About Pentegra**

Pentegra is a leading provider of retirement planning and fiduciary outsourcing solutions to organizations nationwide. Founded by the Federal Home Loan Bank System in 1943, Pentegra offers a broad array of qualified and non-qualified retirement plan solutions, TPA services and benefits financing solutions using BOLI. In addition, Pentegra, through Pentegra Investors, Inc.,

also serves the needs of institutional investors, offering investment outsourcing capabilities. For more information, go to [www.pentegra.com](http://www.pentegra.com).

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