

Fiduciary Roles Under ERISA

The Role of the Named Fiduciary

The Named Fiduciary holds the highest level of fiduciary responsibility for the plan. Think of the Named Fiduciary as the plan's 'CEO.' The ERISA-Named Fiduciary is the principal fiduciary for a plan, and prudently monitors and documents all decisions affecting the plan and its investments. The Named Fiduciary can delegate responsibilities to others in order to provide varying levels of support for the plan. These roles can be both fiduciary and non-fiduciary in nature and can include the plan administrator, the Trustee, an investment advisor, or an investment manager.

3(16) Plan Administrator

ERISA Section 3(16)(A) defines the plan administrator role. The plan administrator is the fiduciary responsible for the overall operation of the plan and managing the day to day administration. Think of the 3(16) Administrative Fiduciary as the plan's 'COO.' Under the most expansive scenario, the 3(16) Administrative Fiduciary accepts all, or nearly all, of the functions of the plan administrator as well as the legal title.

Trustee

The Trustee is the person or entity with authority and discretion to manage and control the assets of the plan. Think of the Trustee as the plan's 'CFO.' This authority can also be assigned to one or more investment managers and can be delegated in a discretionary or directed capacity.

ERISA 3(38) Investment Manager

The 3(38) investment fiduciary, or a plan's Investment Manager assumes responsibility for the plan's investment decisions. The 3(38) investment fiduciary assumes full discretionary authority and control over the selection, monitoring and replacement of plan investment options. The 3(38) must be a registered investment advisor, bank or insurance company.

ERISA 3(21) Investment Advisor

The 3(21) investment fiduciary may recommend plan investments, monitor investments, provide investment guidance and counsel to the plan sponsor in accordance with the plan's Investment Policy Statement, and provide participant education and advice. While a 3(21) investment fiduciary provides counsel and guidance, the 3(21) investment fiduciary does not have discretion and responsibility for investment decisions at the plan level.

Roles & Responsibilities with 3(16) Administration

- Ongoing monitoring of investments
- Participant advice/guidance & enrollment coordination
- 3(21) Fiduciary
- Coordination of service provider reviews

- 3(38) Fiduciary
- Portfolio Management
- Tactical Trading



- 3(16) Fiduciary Administration
- Plan Design Consulting
- Funding Allocation
- Administration & Maintenance of plan documents
- Compliance testing
- Government filings
- Sign/date all documents, 5500s, etc.
- Distribute mandatory employee notices

- Investment Platform
- Accounting of participant's assets
- Employer/Employee websites; access to information & tools

Learn more about Pentegra's 3(16) fiduciary outsourcing advantage.

Contact the Pentegra Solutions Center at solutions@pentegra.com, or 855-549-6689.

