

Overview of Fiduciary Duties



ROI GROUP
GUIDANCE, EDUCATION & STRATEGY

Below is a general overview of Fiduciary duties and responsibilities.

It is not intended to be a detailed or comprehensive list, but it will give you a starting point in understanding the issues.

Visit the IRS's website for more information at: www.irs.gov/retirement-plans/plan-sponsor/a-plan-sponsors-responsibilities.

#1 Best Interests

A fiduciary must act solely in the best interests and for the exclusive benefit of plan participants and beneficiaries.

#2 Plan Costs

A fiduciary must defray plan expenses in a reasonable manner. This implies that a fiduciary knows what all the plan expenses and costs are.

#3 Legal Compliance

A fiduciary must comply with all plan documents and all applicable federal and state laws and regulations. This implies that fiduciaries will become familiar with them.

#4 Seeking Advice

When a fiduciary is unsure of their expertise, they have a duty to seek the advice of experts and carefully evaluate the advice given.

#5 Conflicts of Interest

A fiduciary may not engage in certain transactions with parties providing services to the plan such as the sale or leasing of property, lending of money, furnishing goods, services or facilities, or the transfer or use of plan assets.

#6 Self-Dealing

Self-dealing is prohibited and therefore a fiduciary cannot use their position for personal gain.

#7 Adverse Interests

A fiduciary may not act on behalf of any party whose interests are adverse to the interests of the plan or the plan participants.

#8 Acting with Care

A fiduciary must act with the care, skill, and diligence that would be exercised by a reasonably prudent person who is familiar with such matters.

#9 Diversification

Fiduciaries have an affirmative duty to diversify plan investment options.

#10 Plan Selection & Performance Evaluation

A fiduciary has an obligation to prudently select investment options for the plan, as well as an obligation to periodically evaluate the performance of such vehicles to determine, based on that evaluation, whether the vehicles should continue to be available as participant investment options.

Note: The information provided here is intended to help you understand the general issue and does not constitute any tax, investment or legal advice.

Learn More

We invite you to contact us at info@theroigroupllc.com to discuss questions you or your team might have related to Fiduciary responsibilities or ERISA benefits.

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