

401(k) Fiduciary Checklist

Do you know everything you need to about your fiduciary responsibility as the sponsor of a retirement plan? Prepare yourself by using this checklist that covers 401(k) plan administration, plan documents, employee communication, and plan investments.

If you answer “no” to any of these, or are unsure, consider letting Paychex help you stay in compliance with ease.

PLAN ADMINISTRATION		Yes	No	I don't know
1	Do you maintain important documents for the oversight of plan operations and administration (sometimes called a fiduciary audit file)?			
2	Do you define an eligible employee in the plan document and is it consistent with the way the plan is administered?			
3	Have you always filed IRS Form 5500 on time?			
4	Have all penalties and/or excise taxes been paid, and excess deferrals or contributions returned, if 401(k) nondiscrimination testing failed?			
5	Do you have an automatic enrollment arrangement, a Safe Harbor plan, or a QDIA? If so, are annual notices distributed to participants on time?			
6	As defined in the plan document, are you sending correct compensation amounts to service providers for the calculation of plan contributions and annual non-discrimination testing?			
7	Do you perform regular process reviews for: collecting employee contributions and loan repayments, forwarding them to the provider, investing the contributions and loan repayments?			
8	Do you monitor the performance of all plan service providers?			
9	Do you maintain copies of service contracts with all plan fiduciaries and service providers? Are responsibilities and fees well-defined?			
PLAN DOCUMENTS		Yes	No	I don't know
1	Have plan fiduciaries been determined, and roles defined and documented? Are responsibilities understood?			
2	Are plan fiduciaries, advisors, and employee representatives meeting regularly and documenting the results of these meetings?			
3	Does the plan carry a fidelity bond to protect the plan's assets?			
4	Has the IRS approved the plan document and is a copy of the determination letter or opinion letter on file?			
5	Does the plan document meet all legislative requirements (PPA and EGTRRA) and is it updated regularly?			
6	Compliance with applicable laws, regulations, and guidelines is required. Does a third party service review the creation, maintenance, filing, and updating of plan documents to ensure this?			
7	Do you operate the plan according to the provisions indicated in the plan documents?			
EMPLOYEE COMMUNICATION		Yes	No	I don't know
1	Have participants been provided with a 404(a) Participant Fee Disclosure which outlines plan provisions, investments, and other fees and expenses?			
2	Are the fees deducted from the participant's account included in their quarterly statement?			
3	Are employees educated on the benefits of participation and do they have access to resources that explain terms like tax deferral, dollar cost averaging, and compound interest?			
4	Are current Summary Plan Descriptions and Summary Annual Reports distributed to all eligible employees?			
PLAN INVESTMENTS*		Yes	No	I don't know
1	Is there a formal process for evaluating the plan's investment options?			
2	Is a review of the plan's investment options done on a regular basis to ensure a well-diversified lineup?			
3	Are reviews documented and are proper meeting minutes taken?			

**Let Paychex help guide you through fiduciary responsibility.
Contact us for a plan assessment.**