The publication "Meeting Your Fiduciary Responsibilities," created by the U.S. Department of Labor's Employee Benefits Security Administration (EBSA), serves as a compliance guide for employers offering retirement plans under the Employee Retirement Income Security Act (ERISA). It details the essential components of a retirement plan, which include a written plan document, a trust fund for assets, a recordkeeping system, and necessary communication documents for employees. Employers, acting as plan sponsors, must grasp their fiduciary responsibilities, which stem from managing the plan and its assets. A fiduciary is characterized by their discretion and control over the plan, necessitating at least one named fiduciary. Fiduciaries are required to act solely in the interest of plan participants, perform their duties prudently, adhere to plan documents, diversify investments, and ensure that only reasonable expenses are incurred. The duty of prudence mandates that fiduciaries document their decision-making processes and engage qualified professionals when lacking expertise.

Fiduciaries may face liability for not meeting these standards, but they can mitigate this risk by documenting their processes and allowing participants to control their investments. Plans can also limit fiduciary liability through features like automatic enrollment and by hiring service providers to manage fiduciary functions, although fiduciaries remain accountable for selecting and monitoring these providers. All fiduciaries share liability for the actions of their co-fiduciaries, and fidelity bonds are recommended to protect plans against losses from dishonest acts.

Employers must ensure the timely deposit of employee contributions, typically no later than the 15th business day following payday, and designate a fiduciary to oversee these contributions. When hiring service providers, fiduciaries must assess their qualifications, services, and fees, ensuring that all compensation is reasonable and disclosed. Regular monitoring of service providers is essential, requiring fiduciaries to conduct performance reviews and ensure compliance with agreed-upon services. Additionally, fiduciaries must keep participants informed about their rights and investment options in participant-directed plans.

The insurance policy emphasizes the responsibilities of plan fiduciaries regarding investment direction, highlighting the necessity of providing participants with critical plan and investment-related information, including fees and expenses, before they can direct their investments and annually thereafter. This information must be presented in a comparative format, such as a chart. Fiduciaries are protected from liability for relying on information from service providers if done in good faith. Employers may hire investment advisers for specific advice, who act as fiduciaries, or service providers for general education, who are not fiduciaries unless they provide specific advice. Certain transactions are prohibited to avoid conflicts of interest, including dealings between the plan and parties in interest, such as the employer or service providers, although exemptions exist for necessary transactions, such as hiring service providers or offering loans to participants, provided they are reasonable and necessary for plan operations. Plans investing in employer stock must comply with specific rules, including limits on the amount of stock held and ensuring participants can divest their investments under certain conditions.

Plan administrators are required to furnish various documents to participants, including a summary plan description (SPD) that outlines eligibility, contributions, vesting periods, claims filing, and participants' rights. The SPD must be provided upon joining the plan and periodically thereafter. Additional disclosures include a summary of material modifications (SMM) for changes to the plan, individual benefit statements (IBS) detailing account balances, and notices for automatic enrollment and blackout periods. These disclosures can be provided electronically, with protections for participants' confidentiality.

Furthermore, plan administrators must file an annual Form 5500 with the government, reporting on the plan's operations. Fiduciaries wishing to terminate their duties must ensure that another fiduciary assumes their responsibilities. The Department of Labor offers programs for employers to self-correct violations of ERISA, including the Voluntary Fiduciary Correction Program (VFCP) and the Delinquent Filer Voluntary Compliance Program (DFVCP). Employers are encouraged to understand their fiduciary responsibilities, monitor service providers, and ensure compliance with legal requirements, with resources available from the Department of Labor to assist both employers and employees in managing retirement plans and ensuring compliance.