

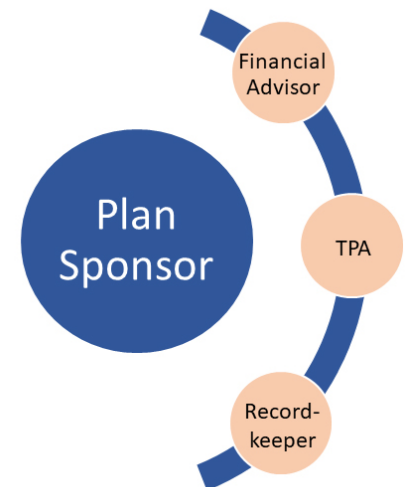
Commco Comments

Timely Information and Updates for Employers and Retirement Plan Sponsors

Who's Who in Your Retirement Plan

Operating an employer-sponsored retirement plan requires the coordination of several players with different responsibilities, and at times it can be confusing to remember who does what.

Below are the most common roles and responsibilities of each party involved. While this brief overview does not cover every possible scenario, it should serve as a guide to navigate conversations – and when in doubt, you are always welcome to contact our office for information and assistance.



Plan Sponsor

The Plan Sponsor is the employer who establishes the retirement plan for the benefit of its employees. While many aspects of running the plan can be delegated to the other parties described below, the plan sponsor retains ultimate responsibility for the plan and has a duty to monitor and oversee all other service providers. The term “plan administrator” generally also refers to the employer, or a specific person or team within that organization.

The plan sponsor is usually responsible for tracking employee eligibility, delivering enrollment materials and required information to participants, processing payroll contributions, providing accurate year-end census data, and signing all plan documents, tax forms, and compliance items.

Custodian

The custodian for retirement plan assets operates like a bank does for personal or business assets. They are responsible for holding and moving money, withholding and paying fees according to contracts on file, and safekeeping assets. The custodian is often the same firm as the recordkeeper, but not always.

Recordkeeper

The recordkeeper’s role is to manage and track information such as contributions and distributions, earnings, and costs, and to communicate that data to the other parties. This includes preparing required fee disclosure documents and participant statements. Most recordkeepers also provide online portals for participants to access education and information about their accounts. As noted above, this is frequently, but not necessarily, the same firm as the custodian.

WIN A \$25 GIFT CARD

to your choice of Amazon.com or Regal Cinemas!

To be entered into the drawing, email quiz@thecommcocompany.com with the correct answer to this question:

Which party is responsible for preparing required fee disclosure documents and participant statements?





Retirement & Investment Services

5440 SW Westgate Drive, Suite 110
Portland, OR 97221
thecommco.com

tel 503-203-8585
fax 503-203-8590
toll 800-203-8510

*Congratulations to
our most recent
gift card winner:*

*Suzanne W. of
Meals on Wheels
People, Inc.*

*For answers to previous
issues' questions, visit
[https://thecommco.com/
commco-comments/](https://thecommco.com/commco-comments/)*

Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC
Investment advisory services offered through Raymond James Financial Services Advisors, Inc.
The Commerce Company is not a registered broker/dealer and is independent of Raymond James Financial Services.

Third Party Administrator

The third party administrator, or TPA, manages most of the day-to-day aspects of retirement plan compliance. They prepare the annual tax filing (Form 5500), manage the document that lays out the rules of the plan, and perform the required annual funding and non-discrimination testing calculations.

In many cases, the TPA firm is a local company unaffiliated with the recordkeeper. However, some plans may be “bundled,” which means that the recordkeeper and TPA are two departments of the same firm, rather than separate entities.

Financial Advisor

Financial Advisors provide advice to the plan sponsor in determining which investment options to offer to participants, and may also provide participants with individual investment advice and/or education.

While not all financial advisors offer the same menu of services, The Commerce Company’s role as financial advisor includes building and monitoring the plan’s investment lineup; providing investment advice, financial education, enrollment support, and transactional assistance to plan participants; helping plan sponsors understand and carry out their responsibilities; coordinating communication between various parties as needed; and assistance in managing the processes of plan implementation and transition to new providers.

As retirement plan sponsors, it’s important to understand who does what in your retirement plan. If you have questions or would like to schedule a meeting to discuss the administration of your plan, please email us at newsletter@thecommco.com.

This information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. You should discuss any tax or legal matters with the appropriate professional.