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Fiduciary Scorecard

*How well are you fulfilling your
Fiduciary Plan obligations?*

This Fiduciary Scorecard will assist you in determining the extent to which you are meeting the requirements of the Employee Retirement Income Security Act (ERISA) and your Fiduciary obligations. Although this scorecard is not an exhaustive list of your fiduciary responsibilities, it does include many ERISA requirements, as well as items considered fiduciary best practices for 401(k) plans and other participant directed plans.

**Qualified and Non Qualified Retirement Plans
25+ Years Experience**

How to Calculate Your Fiduciary Score*

23-28: You seem to be on the right track. Continue to prudently investigate, monitor and document.

20-23: You're headed in the right direction, but need to improve in a few areas to manage your risk.

16-19: You've taken a few steps toward managing your fiduciary responsibilities, but may be exposing yourself to liability in several areas.

15 or fewer: If you do not take step immediately to meet your obligations you may find yourself in *hot water*.

Regardless of your score, it's always a good idea to refresh your knowledge of the fiduciary guidelines and ensure you're meeting your fiduciary responsibilities to the fullest potential. You should also review items that were not marked "yes" to determine if there's more that could be done in those areas. Your score will provide a general idea of how you're fulfilling your responsibilities, but it does not include all your obligations under ERISA.

****To make the Scorecard easy to use, each item is given the same value. However, while all of the items are important, some can have a greater impact than others. For example, from an investment perspective, numbers 11, 12, 13, 14, 15, 19, 20 and 24 are critical to fulfilling your responsibilities to provide the participants with a prudent investment program.***

(Please check the boxes below if your answer is “YES”)

PLAN DOCUMENT AND DESIGN

1. Does your plan have an IRS-approved document in place and is the document up-to-date for recent law changes?

2. Has your plan been designed with the assistance of a competent professional so it is customized to meet the needs of the company?

3. Does your plan have an up-to-date summary plan description (SPD) and have you distributed the SPD to participants at the times required by law?

4. If you have any workers (including independent contractors or temporary employees) at your company who are not covered under the plan, does your plan document exclude them from participation?

5. If you, your family or your company have ownership rights in any other businesses, have you received advice concerning the possible consequences to your plan?

PLAN FIDUCIARIES

6. Are the plan fiduciaries (e.g., plan committee, trustees, officers and owners) aware they are fiduciaries and have they been informed of their responsibilities under ERISA?

7. Have the plan’s investment fiduciaries been appointed in accordance with the plan and trust documents?

8. Do the plan committee and other fiduciaries meet at least annually?

9. Is a due diligence file maintained with the notes, minutes, agenda, background information and supporting documentation for plan and investment decisions made at the fiduciary meetings?

10. Do the plan fiduciaries ensure the plan collects and invests the employee deferrals as timely as possible?

11. Is your plan covered by a fidelity bond of at least 10% of plan assets (up to \$500,000) and does the bond cover plan fiduciaries as well as other employees or third parties that handle or have access to the plan assets?

PLAN INVESTMENTS

12. Does your plan have a written investment policy statement?

13. Does your plan have investments in at least the following investment categories so that participants may invest in a “broad range” of funds?:

- a. Stable value investment, guaranteed investment contract (GIC) or money market fund;
- b. U.S. government or corporate bonds;
- c. Large-cap U.S. equities
- d. Mid/small-cap U.S. equities;
- e. International or global equities

14. Have the plan fiduciaries reviewed the plan’s investments in the last 12 months? Was each investment compared to its peer group and the appropriate index for performance over periods of 1, 3, 5, and 10 years?

15. Was the review conducted in accordance with the investment policy statements?

16. In order to properly review the investment, did your investment provider give you information on the proper peer group and indices, historical performance, expenses, volatility and other significant factors? If not, did you accumulate that information for review?

17. Was the review documented in plan fiduciary/investment committee due diligence file, including the materials reviewed by the committee and any other notes or analysis used to determine whether to retain, add or remove investment options?

18. Are investment costs reasonable in comparison to the appropriate benchmarks? Do you fully understand all investment costs and the services that are provided for these costs?

19. Have you removed an investment from your plan, or place it on “watch”, because of its underperformance or other failure to satisfy the investment policy statement or ERISA’s requirements?

20. Does your plan avoid overlap of similar stock holdings among investment options by offering options from more than

21. Do you have unlimited ability to select superior investment funds from your existing investment provider?

22. Does your plan provide employee enrollment programs explaining the importance of participation in the plan, saving for retirement, and investment basics?

23. Does your plan provide ongoing employee investment education materials and/or programs?

24. Does your plan provide lifestyle funds or asset allocation models for employees who lack the investment knowledge to evaluate and select individual investment options and allocate their accounts among them?

ERISA SECTION 404(c) REQUIREMENTS

25. If your plan intends to obtain the fiduciary protections available under ERISA Section 404(c), does the SPD or a written notice to participants provide the following notification?

- a. Participants will be able to direct their investments;
- b. The plan intends to comply with 404(c) and plan fiduciaries may be relieved of liability for losses; and
- c. The name, address and phone number of the 404(c) and plan fiduciary responsible for providing information upon request and for receiving and complying with participant investment instructions.

26. Have all participants received information about each of the options available under the plan?

27. Have all participants received or had access to information regarding the investment concepts (including explanation of the types of investments, risk/return applicable to each, impact of time horizon on investment decisions, etc.) in the last 12 months?

28. Does the Form 5500 indicate your plan intends to comply with ERISA 404(c) requirements?

Total # of Boxes Marked
