



ERISA 3(16) SERVICES

YOUR 401(k) PLAN

THE AMERICAN PENSION BENEFITS 3(16) ADVANTAGE

WHAT IS 3(16) AND THE ADMINISTRATOR ROLE?

3(16) refers to the section of the Employee Retirement Income Security Act of 1974 that establishes the role of the plan administrator. ERISA section 3(16) along with a parallel provision in the tax code indicates that unless another party is named, the plan sponsor acts as the plan administrator. This is a fiduciary role that has a number of responsibilities related to the plan's day-to-day operations including filing form 5500, authorizing participant transactions such as loans and distributions, hiring the plan auditor, furnishing required participant notices, and more.

THE FIDUCIARY STANDARD

Although considered more often in the context of plan investments, the fiduciary standard applies to any party that has authority to make plan decisions. That includes the ERISA 3(16) Plan Administrator. So, what does that standard entail? Although the subject can be very complex, the overarching principals are that fiduciaries must act in the best interest of plan participants (and other beneficiaries) and must exercise their duties with the skill, diligence and prudence of an expert.

WHY DELEGATE 3(16) ADMINISTRATION FUNCTIONS?

American Pension Benefits (APB) serves as a co-fiduciary with employers with respect to administrative issues, assists with satisfying fiduciary responsibilities and saves the employer valuable time. By delegating certain administrative tasks to APB, employers can:

- Reduce Paperwork
- Free valuable time
- Reduce fiduciary liability
- Get back to business!



3(16) DELEGATED ADMINISTRATION SERVICES

DELEGATE KEY 3(16) FUNCTIONS TO APB

In partnership with our plan sponsors, APB has identified the critical process areas, above and beyond our normal plan administration services, that plan sponsors most frequently indicate that they would like to outsource to a third party, and which processes are more efficient to retain in-house. Many processes and tasks, if outsourced, can make a significant positive impact for plan sponsors. Those critical processes and tasks are illustrated below and make up the components of our 3(16) service offering.

With APB's 3(16) services, we allow the plan sponsor to remain the named Plan Administrator in the plan document allowing them to retain key monitoring of the effectiveness of the service providers of the plan and other functions that are more efficiently handled without outsourcing. With APB, you can be assured of conflict-free 3(16) services.



PARTICIPANT NOTICE DELIVERY

As retirement plan regulations become even more complex, and disclosure requirements more rigid, it is more important than ever that plan sponsors fully comply with all notice delivery requirements. APB makes it easy by taking on that task by compiling, reviewing, and electronically delivering these notices wherever possible and mailing those without email addresses on file.

Participant Notices Includes:

- Participant Statements
- Participant Fee Disclosures
- Blackout Notices
- Fund Change Notices
- Safe Harbor Notices
- Summary Plan Description (SPD)
- Summary Annual Reports (SAR)
- Summary of Material Modifications (SMM)
- Electronic Communications Notice
- Automatic Contribution Arrangement (ACA)
- Qualified Automatics Contribution Arrangement (QACA)
- Eligible Automatic Contribution Arrangement (EACA)
- Qualified Default Investment Alternative Notice (QDIA)



DISTRIBUTION SERVICES

With our distribution services, APB reviews, authorizes, and signs:

- Corrective Refunds
- In-Service Withdrawals
- Hardship Withdrawals
- Participant Loans
- Qualified Domestic Relations Orders (QDRO)
- Required Minimum Distributions (RMD)
- Separation from service distributions
- Force out distributions

PARTICIPANT MANAGEMENT SERVICES

APB takes on some of the critical participant related fiduciary duties including:

- Eligibility determination
- Loan default monitoring
- Missing participant search
- Vesting verification
- Hardship suspension monitoring

PLAN DOCUMENT SERVICES

While APB has always provided document services, it has traditionally been the role of the Plan Administrator to interpret and maintain the document to keep the plan in compliance. 3(16) services enable the plan sponsor to shift that responsibility to APB.

- Interpretation of all plan document provisions
- Ensure required document amendments are completed
- Administer the plan's loan policy
- Review fidelity bond compliance

GOVERNMENT REPORTING & AUDIT ASSISTANCE

With 3(16) services, APB simplifies the filing of government forms and becomes a valuable resource assisting with annual large plan audits. Services include:

- Preparation and signing of form 5500
- Preparation and signing of form 8955-SSA
- Annual Report preparation
- Review and approve annual employer contributions
- Large plan 5500 and audit report review



DETAILED SCHEDULE OF 3(16) SERVICES & FEES

Fee Type	Annual Fee ⁽¹⁾
Base	QUOTED
Per Participant	QUOTED
Asset Charge	QUOTED

3(16) Administration Services	
Plan and Participant Required Notices Delivery ⁽²⁾	
404(c) Participant Plan Fee Disclosures	Included
Electronic Communications Notice	Included
Qualified Default Investment Alternative Notice	Included
Automated Contribution Arrangement Notice (ACA)	Included
Qualified Automatic Contribution Arrangement Notice (QACA)	Included
Eligible Automatic Contribution Arrangement Notice (EACA)	Included
Blackout Notices	Included
Investment Change Notices	Included
Safe Harbor Notices	Included
Plan Documents Services ⁽³⁾	
Prototype or Volume Submitter Document	\$475
Design Illustrations	Included
Summary Plan Description (SPD)	Included
Adoption Agreement	Included
Summary of Material Modifications (SMM)	Included
Plan Document Amendments	\$125
Summary Annual Report	Included
Complete Document Restatement	\$475
Administrative Forms Package	Included
Interpret Plan Document Provisions	Included
Distribute Summary Plan Description (SPD)	Included
Distribute Material Modifications (SMM)	Included
Distribute Summary Annual Report	Included
Administer Loan Policy	Included
Review Fidelity Bond Coverage	Included
Plan Compliance Services	
New Comparability / Tiered Allocations	\$375
ADP Testing (2 per year max)	Included
ACP Testing (2 per year max)	Included
Top Heavy Testing	Included
Prepare Corrective Distributions	Included
Annual Additions Testing	Included
402(g) Deferral Limit Tracking	Included
Calculate Annual Matching Contribution	Included
Calculate Annual Employer Discretionary Contributions	Included
Special Plan Consulting /IRS Audit Support	\$250 per hour
Participant Management Services	
Eligibility Determination ⁽⁴⁾	Included
Loan Default Monitoring	Included
Missing Participant Search ⁽⁵⁾	At cost
Vesting Verification	Included

Hardship Suspension Monitoring	Included
Distribution Services ⁽⁶⁾	
Corrective Refund Distributions	Included
In-service Distributions	Included
Hardship Withdrawals	Included
Participant Loans	Included
Qualified Domestic Relations Orders(QDRO)	\$175
Required Minimum Distributions (RMD)	Included
Separation from Service Distributions	Included
Force Out Distributions	Included
Government Reporting	
Review and Sign Form 5500	Included
Review and Sign Form 8955-SSA	Included
Review Annual Report	Included
Review and Approve Annual Employer Contributions	Included
Large Plan Audit Review and Assistance	Included

Notes and Disclosures

⁽¹⁾ Annual Fees will be invoiced quarterly or paid from plan assets monthly at plan sponsor election.

⁽²⁾ APB will send notices electronically to plan participants with an email address on file. Participants with no e-mail address on file will receive mailed notices. A \$1.00 plus postage fee applies to all mailed notices.

⁽³⁾ APB must prepare the plan document. Utilization of custom documents may result in additional fees.

⁽⁴⁾ The employer must provide a complete payroll file containing all required data for ALL employees each payroll period.

⁽⁵⁾ APB utilizes RCP Solutions "Planscape" program to locate lost participants. Minimum fee is \$5.00 per participant search with a minimum plan fee of \$25.00 per file sent to RCP. Each file can contain unlimited number of participant searches.

⁽⁶⁾ APB reviews, authorizes and signs each occurrence. Fee is in addition to any normal administration distribution charges.
