



**APB 3(16)**  
**Fiduciary Outsource Services**

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XYZ 401(k) PLAN

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## 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?

American Pension Benefits (APB) assumes the role of the **Plan Administrator** and serves as a fiduciary with employers with respect to administrative issues, assists with satisfying fiduciary responsibilities and saves the employer valuable time. By transferring these administrative tasks to APB, employers can:

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

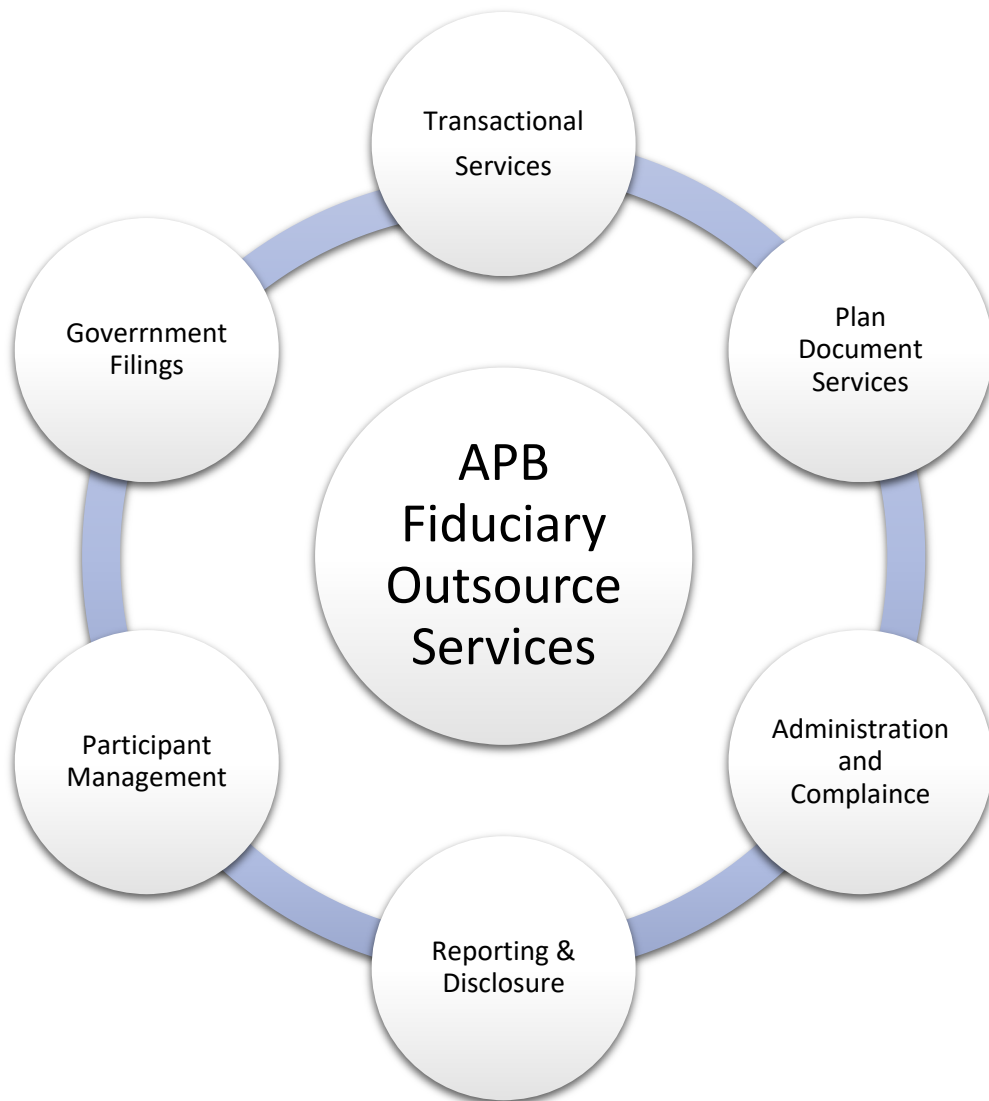


## APB FIDUCIARY OUTSOURCE SERVICES

# MAKING PLAN ADMINISTRATION EASIER

There are a multitude of daily and periodic tasks that must be completed for any 401(k) plan. Typically, the burden of completing those tasks falls to the plan sponsor. With **APB Fiduciary Outsource Services**, we take on nearly all of those tasks and leave only those tasks that we cannot legally or operationally efficiently assume.

Under our program, the employer can outsource tasks and fiduciary liability while retaining ultimate control over the selection and monitoring of the plan service providers.



## REPORTING AND DISCLOSURE

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 reporting and disclosure requirements. APB makes it easy by taking on those tasks, electronically delivering these notices wherever possible and mailing those without email addresses on file.

### Distribution of Participant Notices Includes:

- 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)



## TRANSACTIONAL SERVICES

With our transactional 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

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

## DETAILED SCHEDULE OF APB FIDUCIARY OUTSOURCE SERVICES

Fee Type	Annual Fee <sup>(1)</sup>
Base	QUOTED
Per Participant	QUOTED
Asset Charge	QUOTED

FIDUCIARY OUTSOURCE SERVICES	
Reporting and Disclosure <sup>(2)</sup>	
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 <sup>(3)</sup>	
Interpret Plan Document Provisions	Included
Distribute Summary Plan Description (SPD)	Included
Distribute Material Modifications (SMM)	Included
Coordination of Plan Document Amendments	Included
Distribute Summary Annual Report	Included
Complete Document Restatement	Included
Administer Loan Policy	Included
Review Fidelity Bond Coverage	Included
Provide Documents to Participants Upon Request	Included
Participant Management Services	
Eligibility Determination <sup>(4)</sup>	Included
Loan Default Monitoring	Included
Missing Participant Search <sup>(5)</sup>	Included
Vesting Verification	Included
Hardship Suspension Monitoring	Included
Transactional Services <sup>(6)</sup>	
Review and Approve Corrective Refund Distributions	\$25 per event
Review and Approve In-service Distributions	\$50 per event
Review and Approve Hardship Withdrawals	\$50 per event
Review and Approve Participant Loans	\$25 per event
Qualified Domestic Relations Orders (QDRO)	\$200 per event
Review and Approve Required Minimum Distributions (RMD)	\$25 per event
Review and Approve Separation from Service Distributions	\$50 per event
Review and Approve Force Out Distributions	\$50 per event
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	\$175 per hour

## Notes and Disclosures

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(1) ¼ of the Annual Fees will be invoiced quarterly or paid from plan assets directly from the recordkeeper based on plan election.

(2) Standard method of delivery is electronic direct to plan sponsor for distribution to participants. It is assumed that we will be provided with participant e-mail addresses at conversion and on-going. A \$1.00 plus postage per mailed statement and notice charge applies for all mailed statements and notices mailed from APB and not the recordkeeper.

(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 additional to any normal administration distribution charges.

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