

PLAN SPONSOR QUATERLY CALENDAR

Second Quarter 2018

Q: We have several new employees who will be involved with our 401(k) plan. How can we help them stay on the right side of their duties as fiduciaries?

A: You're wise to ask. Fiduciary training can help protect individual fiduciaries, the plan as a whole—and, of course, the participants. You may already know that the penalties for fiduciary breaches can be both criminal and civil, a fact that emphasizes the importance of knowing how to carry out these duties. While seeking out targeted fiduciary training from your plan's advisor, consultant or legal counsel is a good course of action, there are a few things important to understand right away. First is that a fiduciary may or may not be named in the plan document. It's the actions that decide, not just the title. Everyone who works on the plan in any capacity should know whether or not they are a fiduciary. They must be careful to always act in accordance with ERISA's 'sole interest' rule. It requires plan fiduciaries to act in the sole interests (a higher standard than 'best interests') of the plan's participants and beneficiaries.

Q: Our soon-to-be-retirees are sometimes unclear about how their finances will actually look in retirement. We are offering them financial wellness information, but it made us wonder about what we can learn from the Baby Boom generation's actual retirement experience.

A: That's the topic of an annual survey and report, now in its 8th year. While the survey indicates a generally positive financial picture for current Boomer retirees, many are not confident with their preparedness. 58% of Baby Boomers have retirement savings in 2018, up from 54% in 2017. Of the Boomers who have retirement savings, 43% have \$250,000 or more, up from 32% last year. Still, just 25% of Boomers think their money will last throughout retirement, and 28% said they are doing (or did) a good job with their financial preparation for retirement. As far as who is doing the best job of preparing for retirement, the survey shows it's those who work with a financial professional; these have at least \$100,000 saved compared to 48% of those without a financial professional. Read more from the Insured Retirement Institute report, *Boomer Expectations for Retirement 2018* at: https://www.myirionline.org/docs/default-source/research/iri_babyboomers_whitepaper_2018_final.pdf

Q: As our company leadership retires and younger employees take over, we are sometimes unsure about how best to help them in their efforts to save for the future. How do younger people view the role of their employer and the government?

A: As the workforce transitions toward more Millennials in company leadership roles, change is happening in how things are done and in attitudes. Recently, a national cross-section of workers was asked about a variety of topics that included what they expect from their company. According to the survey, American workers say they play the largest role in their own success. But the next-highest number, 76% of the workers, say their employer should have "a meaningful role in providing access to opportunities to help them be successful." In fact, 36% of the surveyed workers said their employers should have a large role in providing access to opportunities to be successful. That figure is higher than the 34% who said their families should have a large role in their success. The list of actions employers could take to give employees the help they need, according to the survey, included: access to financial products, including retirement savings plans, to help them grow and build wealth, 87%; health and wellness programs (85%); and free financial education courses (82%). Read more of the American Workers Survey Commissioned by Prudential and conducted by Morning Consult, at: <https://tinyurl.com/Worker-attitudes-Pru>.



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