

ERISA §3(38) Investment Management

WHAT IS A §3(38) INVESTMENT MANAGER, AND WHAT DO THEY DO?

Under section §3(38) of the Employee Retirement Income Security Act of 1974 (ERISA), a plan sponsor bears fiduciary liability for the investments offered in their plan. The plan sponsor can mitigate their fiduciary risk by hiring a §3(38) Fiduciary “investment manager.” This fiduciary takes **DISCRETION, AUTHORITY, and CONTROL** of the plan’s assets – including the selecting, monitoring, and replacing of the investments offered in your plan. The §3(38) fiduciary therefore assumes legal responsibility and liability for the investment decisions it makes on behalf of the plan.

Our industry partner, NestEggs, is a Registered Investment Advisor and will serve as your §3(38) fiduciary!

WHAT DOES NESTEGGS DO AS MY PLAN’S §3(38) INVESTMENT MANAGER?

NestEggs accepts in writing, the fiduciary responsibility to:

- ▶ Construct and maintain an investment policy statement for your plan
- ▶ Select the investment options for your plan
- ▶ Construct and manage model portfolios which are offered to your plan participants
- ▶ Construct qualified default investment alternatives (“QDIA”) in accordance with U.S. Department of Labor (“DOL”) guidelines
 - ▶ A “QDIA” is a default investment selection for participants who fail to make an affirmative investment election during enrollment
- ▶ Monitor the investment options and models and make appropriate changes and document the process
- ▶ At least annually, provide you with an overview regarding the selection of the investment options offered to your plan participants and our management of the model
 - ▶ This should enable the plan sponsor to fulfill its fiduciary responsibility regarding the sponsor’s engagement of the manager

REACH OUT TO LEARN MORE

Contact an AlphaOmega Wealth Management Representative to inquire about our services today.

 john@wealthao.com

 402-413-1299

 www.wealthao.com



ALPHA Ω MEGA
WEALTH MANAGEMENT