

# ERISA §3(16) Fiduciary Administration

**When you sponsor a 401(k) plan, you become a “plan administrator” under section §3(16) of the Employee Retirement Income Security Act of 1974.**

As an administrator of your 401(k) plan, you are liable for providing and ensuring the accuracy of a multitude of administrative and compliance-oriented tasks.

However, our industry-partner, NestEggs, will serve as an ERISA §3(16) Fiduciary **ON YOUR BEHALF!**

As such, we'll take over the administration of your plan and greatly reduce your fiduciary liability. This leaves you to focus on more important things, like running your business!

## GENERAL ADMINISTRATIVE SERVICES

- ▶ Maintain complete copies of signed plan documents and amendments
- ▶ Interpret plan provisions as necessary to resolve claims for benefits or other operational or administrative issues
- ▶ Maintain records of participants' beneficiary designations
- ▶ Apply forfeited funds to pay plan expenses or to reduce employer contributions, but solely in accordance with instructions from the plan sponsor
- ▶ Approve and authorize corrective distributions for excess contributions and/or failure of non-discrimination tests
- ▶ Approve or reject requests by participants to make rollover contributions

## FORM 5500 & AUDIT EXECUTION SERVICES

- ▶ Prepare, review, sign, and file the plan's Form 5500 Series Annual Report and all supporting schedules
- ▶ Coordinate and collaborate with the CPA firm selected by you to perform the annual plan audit (applicable to plans with 100 or more participants)

## COMPLIANCE, TESTING & REPORTING

As your plan administrator, NestEggs will be responsible for performing and providing the following annual tests and reporting:

- ▶ Average Deferral Percentage (ADP) Testing
- ▶ Average Contribution Percentage (ACP) Testing
- ▶ Top Heavy Testing
- ▶ 401(a)(4) Non-Discrimination Testing
- ▶ 410(b) Coverage Test
- ▶ Dept. of Labor Investment Disclosure
- ▶ Form 1099



## EMPLOYEE NOTIFICATION SERVICES

### NestEggs will:

- ▶ Create, maintain, review and provide updated Summary Plan Descriptions (SPDs) and Summaries of Material Modifications (SMMs) to participants
- ▶ Furnish Participants with:
  - ✓ Summary Annual Reports (SARs), as required under ERISA
  - ✓ Initial, quarterly and annual investment/fee disclosures under 29 CFR §2550.404a-5
  - ✓ Sarbanes-Oxley blackout notices (when applicable)
  - ✓ 401(k) Safe Harbor notices (when applicable)
  - ✓ Qualified Default Investment Alternative (QDIA) notices
  - ✓ Automatic enrollment notices
- ▶ Provide copies of plan documents, amendments and other documents to participants and beneficiaries, as required under ERISA

## DISTRIBUTION SERVICES PROVIDED

- ▶ Authorize Loans
- ▶ Authorize Termination Distributions
- ▶ Authorize In-Service Withdrawals
- ▶ Authorize Required Minimum Distributions
- ▶ Authorize Corrective Refunds
- ▶ Authorize Qualified Domestic Relations Orders (QDROs)

## REACH OUT TO LEARN MORE

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

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