

# Have you evaluated retirement plan fees?

Here's a checklist for reviewing fees.



As a retirement plan fiduciary, you need to act in the best interest of your plan participants and beneficiaries\* — like evaluating the fees for the operation and management of the retirement plan. And that also means determining if the costs of operating the plan are reasonable compared to the value you receive.

When assessing the plan, you'll want to ensure fees are appropriate for the plan's needs and in comparison to costs in the marketplace. It's also important to take a look at all service providers for the plan — including direct and indirect fees.

## Keeping track of fees and disclosures is a big responsibility. Let's make it a little easier.

Completing this checklist can help you:

- Evaluate if the retirement plan fees are reasonable for the services and value received
- In the decision-making process for the retirement plan and support good governance

During your review, keep these key factors in mind:

- Objectives of the plan
- Services received and service quality
- Reputation of service provider
- Benefits of services to plan participants

And be sure to continue documenting and reviewing the process on a regular basis.



Let's get started.

\*The Employee Retirement Income Security Act of 1974 (ERISA) requires retirement plan fiduciaries to act solely in the interests of, and for the exclusive benefit of, plan participants and beneficiaries.

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## Fee evaluation checklist

For each category, first indicate if the service is applicable to the plan. Then consider if the service adds value to your organization.

### Step 1: Evaluate plan fees and value of services

Basic service need — is it valued?

Considerations for value and reasonableness

Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A

**Does the service provider help reduce administrative burdens for the plan by providing the following?**

- Administrative and recordkeeping services
- Resources and tools for the plan (plan sponsor and participant websites, interface for data management and transactions, sample forms, communications, education materials, etc.)
- Dedicated service team with proactive contact from those individuals
- Business culture and platform that is easy to do business with

Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A

**Does the service provider offer assistance with participant communication and education including any of the following?**

- On-site meetings
- Effective alternatives to on-site meetings
- Marketing materials
- Secure website
- Call center

Yes • No • N/A

**Does the service provider deliver a disciplined framework (due diligence process) for the selection and monitoring of plan investment advisors and managers within their platform?**

Yes • No • N/A

**Do you receive services to support your investment fiduciary responsibilities [ERISA Sec. 3(16), 3(21), 3(38)]?**

Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A  
Yes • No • N/A

**Does the service provider offer assistance with government reporting, plan compliance, or audit services including any of the following?**

- Assistance with nondiscrimination testing
- Assistance with population of the Form 5500 and filing
- Assistance with plan document qualification filing
- Assistance with the plan document and summary plan description drafting
- Updates related to legislative and regulatory changes and an explanation of what that means for plan sponsors

Yes • No • N/A

**Does the service provider take advantage of current technology?  
Is this available for the plan sponsor to use as well as plan participants?**

Additional service need — is it valued?	Considerations for value and reasonableness
Yes • No • N/A	<b>Does the service provider deliver multiple service offerings</b> (e.g., administrative, recordkeeping, investment management, plan design assistance, participant education, and custodial services) <b>for a single fee?</b>
Yes • No • N/A	<b>Does the service provider have the ability to develop unique solutions to help meet the requirements of your retirement plan?</b>
Yes • No • N/A	<b>Does the service provider offer consulting services such as technical assistance relating to IRS and DOL regulations, benefit design and modeling, merger and acquisition assistance, and benchmarking information?</b>
Yes • No • N/A	<b>Is there complexity required in order to meet the plan's objectives?</b> For example, does the plan have a complex plan design that may require special administrative or compliance testing services, or does the plan require complex or customized participant communication, education, or other services? <b>Can the service provider handle the complexity?</b>
Yes • No • N/A	<b>Does the service provider have experience with retirement plans</b> (e.g., years in the business, servicing similar retirement plans) <b>and are you able to easily access information about their services and fees?</b>
Yes • No • N/A	<b>Does the service provider have the ability to help you with all of your retirement plan needs</b> (e.g., defined benefit, defined contribution, non-qualified or employee stock ownership plans)? <b>There may be efficiencies and cost savings by having multiple relationships with a single provider.</b>

Understanding your fees — are they valued?	Considerations for value and reasonableness
Yes • No • N/A	<b>Are the details of the fee structure clear enough to compare it with other service providers' fee structures — allowing you to fairly assess competitiveness?</b>
Yes • No • N/A	<b>Are participant-level fees clearly outlined, such as fees for investment advice</b> (e.g., managed accounts), <b>plan loans, distributions, etc., allowing you to assess the reasonableness of those fees and the impact on your plan's total cost?</b>
Yes • No • N/A	<p><b>Does the service provider have flexible options for the payment of plan fees? Have your options been explained to you and are the options of value to you?</b></p> <ul style="list-style-type: none"> <li>• Plan sponsor pays</li> <li>• Participant pays</li> <li>• Fees paid from revenue sharing of one or more investment options</li> <li>• Any combination of the above</li> </ul>
Yes • No • N/A	<b>If the plan requires special services because of plan complexity, does this complexity increase the fees associated with the operation of the plan? Is the increased fee worth the value of receiving these services and the level of quality received from the service provider?</b>
Yes • No • N/A	<b>Do the fees align with your expectations of the provider?</b> (Do you expect the service provider to do more for you and the plan? Or do you expect your staff to do much of the work and want to pay your service provider less?)
Yes • No • N/A	<b>Have you evaluated the plan's services and total cost and whether that total cost is within a reasonable range compared to the market for your specific program?</b>

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## Additional items considered in the evaluation

### Step 2: Review fees as part of retirement plan governance

Date completed	Duty
<input type="radio"/> / /	The plan fiduciary or committee should review what services are needed for the plan on a regular basis — recordkeeping and administration, investment management, investment education or advice, participant education, legal, accounting, trustee/custodial, etc.
<input type="radio"/> / /	The plan fiduciary or committee should receive periodic reports from all service providers engaged to provide services to the plan to: <ul style="list-style-type: none"><li>• Review their processes and effectiveness of controls in place (e.g., SOC 1 report)</li><li>• Evaluate their performance and reasonableness of fees for the services provided</li></ul> Each provider should be specific about which services are covered for the expected fees.
<input type="radio"/> / /	The plan fiduciary or committee should understand the fees – direct and indirect – that are being charged to the plan.
<input type="radio"/> / /	The plan fiduciary or committee should review fees to ensure that only fees properly payable from plan assets are paid with plan assets and that fees associated with settlor functions* are not.
<input type="radio"/> / /	The plan fiduciary or committee should properly disclose fees to participants in accordance with the DOL participant disclosure requirements.

\*Settlor fees are related to the business activities of the employer and involve expenses an employer could reasonably be expected to incur in the normal course of business, such as to establish, amend or terminate a plan — not fiduciary actions under the plan.

### Reviewed by:

Print name/title:

Date:

/ /

Signature:

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