

Resources for Qualified Plan Fiduciaries

5- Review the Investment Policy Statement

For Plan Sponsors



RRDM
WEALTH MANAGEMENT PARTNERS

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A Focus on Plan Fiduciaries

Plan sponsors, in their role as qualified plan fiduciaries, have the duty to act in the best interest of the plan and its participants. These worksheets and checklists have been designed to assist you in meeting your responsibilities, thereby helping to potentially mitigate your fiduciary risk.

The materials in this brochure have been created to provide a wide range of resources to help you manage your responsibilities and consider any current or future Qualified Plan needs.

As a Retirement Plan Advisor and AIF® we can provide further information and resources about your fiduciary duties, and help you understand how our worksheets and checklists can assist you in your fiduciary due diligence.

In providing information about ERISA standards and responsibilities, you must remember that this is general information only and you should consult your own attorney for specific legal questions on the application of ERISA to your plan.

Reviewing the Investment Policy Statement

An Investment Policy Statement (IPS) is the foundation for plan investment decisions and enables plan sponsors to be more disciplined and systematic in their decision-making. Plan investments should be regularly reviewed against the IPS to determine if any investment options need to be added, removed or placed on a watch list for possible further action.

Plan: _____ Date: _____

The Anatomy of an Investment Policy Statement

An IPS isn't one size fits all. It should be based on the specific goals of your company's retirement plan and its investment objectives. While the content of an IPS varies from plan to plan, the structure of an IPS typically includes the following:

Elements of an IPS	Include in IPS
Plan objectives	
Investment objectives	
Roles/responsibilities of parties involved in plan investment decisions	
Investment decision-making process	
Types of investment options	
Number of investment options	
Investment diversification	
Fund selection criteria—process and methodology (Criteria for investment managers Selection criteria for investment options)	
Fund monitoring/evaluation criteria	
Benchmarking against indexes and peers (Risk measurement, fees, discipline consistency)	
Fund reporting requirements	
Frequency of reports and meetings	
Options for funds that do not meet evaluation criteria (What is unacceptable performance? How long should it continue before action is taken? Process for holding, adding alternatives, or substituting funds)	
Procedures for enforcing and amending the IPS	
Investment communications and education for plan participants	

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

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