Fisher Investments®
401(k) Solutions

How to Start A Retirement Plan for Your Business

A Tool Kit from Fisher Investments

Contents

Introduction

Starting a retirement plan is exciting!

Starting a retirement plan is exciting! It's one of the most powerful savings tools the government gives business owners and employees.

Ready to get started? Use this small business retirement plan toolkit—or contact us to take on all the burden while you enjoy the benefit.

How To Info

- How to pick the best retirement plan
- How to choose the right partner
- How to assess plan costs
- How to choose your investment lineup

Tools

- Retirement Plan Selector Tool
- Retirement Plan Comparison Chart
- Plan Pricing tool
- Compliance Calendar

Checklists

- Plan sponsor checklist
- Plan design checklist
- Plan administration checklist

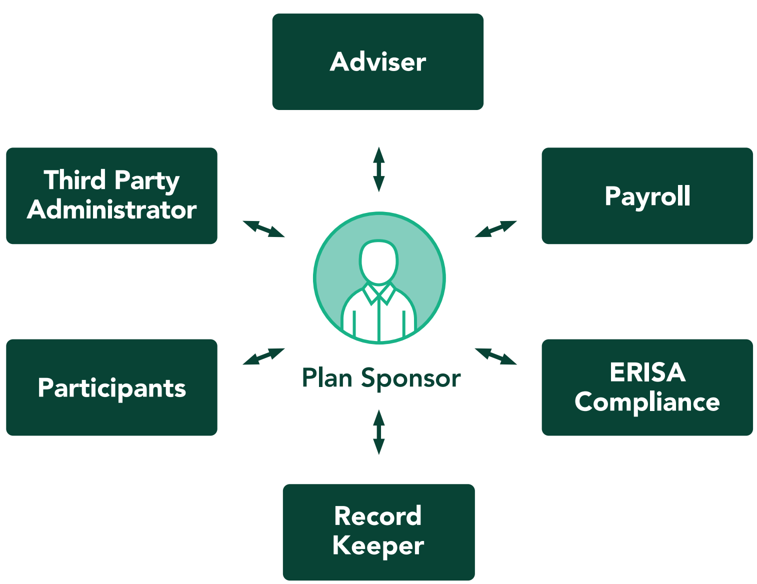
Retirement Plan Overview

There are two models for managing your retirement plan vendors.

The DIY Model puts you in charge. You manage each of your retirement plan partners and pass information between them.

The DIFY (do-it-for-you) Model is simpler. We focus on doing everything we can while you run your business, and support you with what we can't do. In the DIFY model, we help you manage your vendors and communicate with employees.

THE DIY MODEL



THE DIFY MODEL

What plan is right for your business?

The most common plan types for first-time retirement programs are SEP IRA, SIMPLE IRA, Solo(k), and a 401(k). But which to choose? We built this Plan Selector Tool* to help make the decision easier for you. The decision is usually made based on answers to three basic questions.

PLAN TYPE SUMMARY

Solo(k)

The most versatile plan for owner-only businesses. Make maximum personal and company contributions, enjoy loan and Roth options, face no annual contribution requirements.

SEP IRA

An IRA-based plan that allows employer contributions of the same salary percentage to owners and employees.

Simple IRA

An IRA-based plan that allows employees to make a limited, pre-tax contribution, and requires an annual employer contribution.

401(k)

The most versatile type of retirement plan. Allows both employers and employees to save the maximum amount for retirement with flexible design options.

*Coming October 2020

Retirement Plan Comparison Chart

The chart below can help you compare these plan types. Or, if you live in a state with a retirement plan mandate (CA, NY, OR, NJ, CT and IL), view our comparison of the state-mandated retirement programs and SEP IRA, SIMPLE IRA, and 401(k) here.

		Solo(k) with Fisher Investments	401(k) with Fisher Investments	SIMPLE IRA with Fisher Investments	SEP IRA with Fisher Investments
Contributions	Employee income limits	None	None	None	None
	Annual Contribution Maximum	\$57K[1]	\$57K[1]	\$13.5K	\$57K
	Incremental Owner Contributions Available	Yes[2]	Yes[2]	No	Yes[2]
	Tax-Deferred Contributions	Pre-tax & Post-tax options	Pre-tax & Post-tax options	Pre-tax only	Pre-tax only
	Employer Contributions	Optional	Optional	Required (100% match up to 3%, or 2% non-elective)	Required (Same % as owner)
	Loans Allowed	Yes	Yes	No	No
Plan Management	Cost	Low Cost	Low Cost	Low Cost	Low Cost
	Administration	Easy to start and maintain	Easiest to start and maintain	Easy to start and maintain	Easy to start and maintain
	Employee Exclusions	N/A	Yes	No	No

[1] \$63,500 if over age 50. [2] \$16,500 if over age 50. [3] Up to \$356,500 annually via a cash balance plan, assumes age 70. [4] For example, a 401(k) enables employers to exclude part-time and seasonal employees; a SIMPLE IRA allows exclusion of employees who make less than \$5,000/yr.

Understand your Role & Responsibilities

Employers who set up retirement plans become plan sponsors.

It's their responsibility to develop a plan document, choose investments, and work with vendors for administration and employee communication. So, what does it look like when you take that on yourself?

NO ADVISER SUPPORT

---

1. **Developing a Plan Document**
   Build a master guide for how the plan works. Includes eligibility, employer contributions, fees, loans and additional features.

2. **Selecting, monitoring & updating the plan's Investment Lineup**
   Choose, monitor, and update the lineup with different investment options, like mutual funds, money market funds, bond funds, and target date funds.

3. **Overseeing Employee Payroll Data**
   Keep employee census information up-to-date and payroll data accurate for employees' saving amounts.

4. **Working with Your 401(k) Providers**
   Work with the adviser, recordkeeper, third-party administrator, custodian, and auditor.

5. **Communicating with Employees**
   Send regular, required disclosures to employees. Give employees access to information about their retirement accounts to chart savings process and make changes.

6. **Administering Distributions & Loans**
   If your plan allows 401(k) loans, oversee the disbursement and repayment of loans. Manage distribution of funds to retired employees.

7. **Monitoring Fees & 401(k) Service Providers**
   Regularly monitor fees and service from plan providers. And regularly evaluate the costs you and your employees are being charged, compare to what other, similar companies pay, and evaluate your level of service relative to cost.

Choose Your Partners

Finding reliable retirement plan partners like Third-Party Administrators (TPAs) is easier when you enlist the services of a dedicated adviser who specializes in helping businesses like yours get the most out of their retirement plan. If you choose the Fisher Solution, you'll get an advocate on your side helping you choose plan partners and getting the best pricing and service possible.

Here's a checklist for what to look for in your retirement plan partners:

ADVISER

- Manages more than 10 retirement plans (typically 401(k) is a secondary focus)
- Commits to a money-back Service Level Guarantee when they fall short
- Clear and transparent fees without revenue sharing or commissions
- Track record of strong investment management performance, high client retention rate, and demonstrated ability to improve the retirement readiness of participants

RECORDKEEPER

- Recordkeepers with over $1 billion in assets, signaling a mature business model and technology investment
- Tech portals are intuitive for employees to use on any mobile platform
- Dedicated phone lines give employees instant help

TPA

- Has industry credentials by the American Society of Pension Professionals & Actuaries (ASPPA or the National Institute of Pension Administrators (NIPA), signaling continuing education and industry knowledge
- Is a 3(16) fiduciary partner that will take on some of your administrative fiduciary responsibilities—many don't offer this
- Can illustrate hypothetical match or safe harbor options, and even profit sharing formulas, which can save you money

Costs

At least every few years, you'll want to benchmark the costs you and your employees are being charged to make sure they're fair for the service you receive. A good adviser will help you do this with an unbiased third party that will compare your plan against average industry costs and service levels.

Every retirement plan has three types of fees:

Investment fund fees

Fees that differ by adviser due to revenue sharing, commissions, and buying power of the adviser. In general, you shouldn't pay more than 1% in fund fees. Otherwise, you're overpaying for funds.

Administrative fees

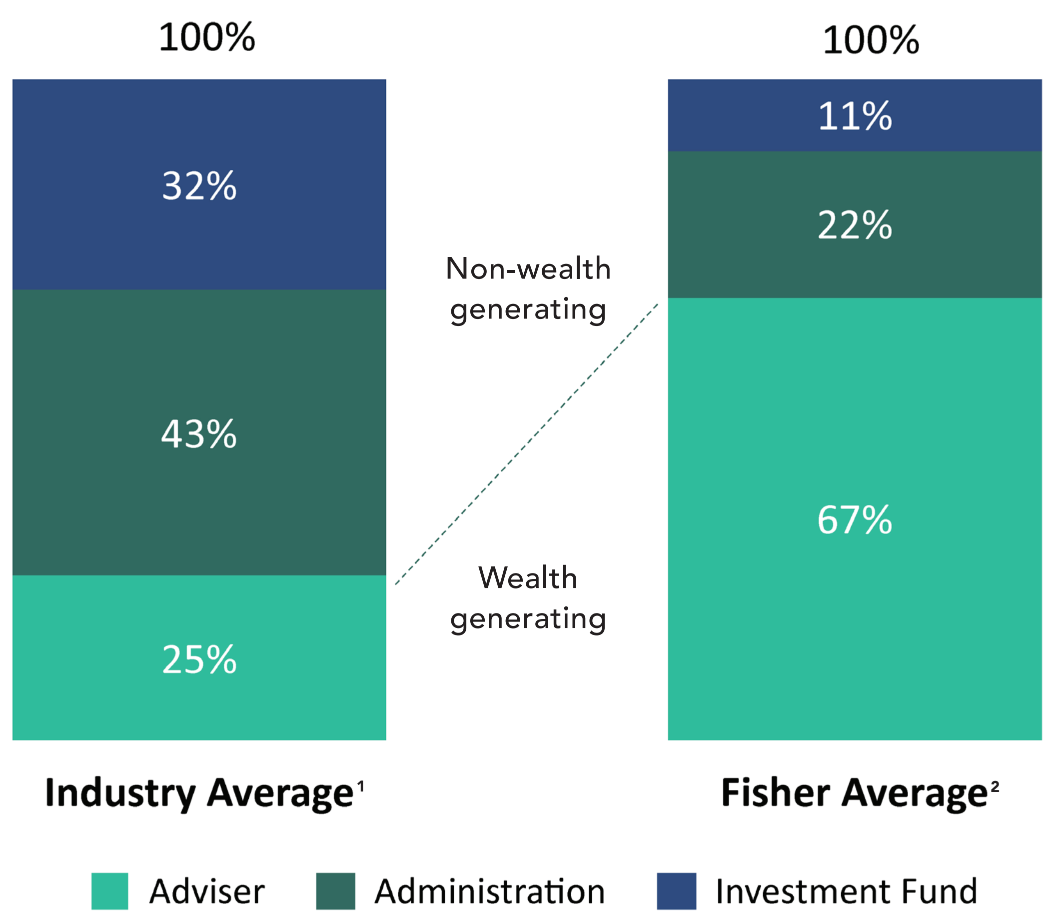
Commoditized fees covering the cost of TPA and Recordkeeper services.

Advisory & fiduciary fees

These fees are meant to pay for superior participant education, unparalleled plan sponsor support and investment advice, and simple plan administration.

For every one dollar spent on plan fees, how much goes to wealth generating services?

401(K) PLAN FEE COMPARISON



[1] Fiduciary Benchmarks Plan Profile Report based on $2mil plan with 50 ppts.
[2] Fisher average all-in fee, it is based on a $2mil plan with 50 ppts, standard Fisher FRA fee, Asensus RK fee, and our extended fund lineup for fund expense.

Who pays fees in a retirement plan?

Determining who pays and who receives plan fees can be complicated. Investment fund expenses are always paid for by employees. Administration and Adviser fees can be paid by the employer or passed on to the employees. But in many cases, fees in the Investment Fund expenses bucket end up being diverted to administration and adviser buckets.

How Fisher Gives You More Value for your Money:

The Fisher Solution focuses on helping you and your employees get the best value for your money. Our clear, transparent fees pay for:

✓ **Superior plan and investment guidance** ✓ **Unparalleled Service** ✓ **Hassle-free administration**

That's how Fisher outperforms the industry on four key drivers of wealth creation success, while still charging industry average prices:

+ 55% Improvement in employee participation rates*
+ 100% Increase in participant savings rates*
+ 61% Higher quality funds**
– 72% Lower fund fees**

*Average increase in employee participation and savings rate as of January 1, 2019.
**Data gathered for 100+ companies between dates Jan 2020 and May 2020 and measured by Fi360.

Tax Credit and Deductions

Now, you can offset up to $5,500 of plan costs per year, for the first three years.

With the passing of the SECURE Act in December 2019, increased tax credits mean there's never been a better time to start a retirement plan. Now, you can offset up to $5,500 of plan costs per year for the first three years, up from $500 per year—that's up to $16,500 of savings!

The tax credit can offset up to 50% of annual eligible costs to run the retirement plan. That includes fees for administration, recordkeeping, advising, setup, and even employee education. Here is how the tax credit is calculated:

1. The greater of $500, OR $250 for every eligible non-highly compensated employee

2. Not to exceed $5000 or 50% of total eligible plan costs

3. Bonus tax credit of an additional $500 per year for plans that add automatic enrollment

Use IRS Form 8881 to claim the tax credit and deduct it from your total federal taxes owed. As for the remaining fees paid by the employer? They become tax-deductible business expenses.

401(k) Plan Design Decisions

Starting a new 401(k) plan means you can design a custom plan that works for your business. Choices you make at the start determine who can participate, how much they can save, and what (if any) contributions you'll make to employees as the employer.

PLAN DESIGN CHECKLIST

- ✓ Employer Contributions
- ✓ Vesting Schedule
- ✓ Enrollment Requirements
- ✓ Roth Option
- ✓ Auto Enrollment
- ✓ Auto Escalation
- ✓ Safe Harbor
- ✓ Profit Sharing
- ✓ Loans & Distributions

EMPLOYER CONTRIBUTIONS BY RETIREMENT PLAN TYPE

	EMPLOYER CONTRIBUTION		
	401(k) Employer Match	Safe Harbor Contribution	Profit Sharing Contribution
Description	A contribution based on how much the employee contributes	A mandatory annual contribution of either 3% to all employees or a match up to 4%. Contributions vest immediately	Employer makes a flexible and optional contribution to employee accounts
Implications	Encourages higher participation and deferral rates, which can help with compliance testing	Allows plan to automatically pass most compliance testing which allows business owner to defer up to the personal 401(k) limit	Allows the business owner(s) to maximize their total 401(k) contribution with minimal cost and maximum tax deduction

Here are a few of the important decisions you'll make during this phase of setting up your retirement plan.

1 Do you want to provide an employer contribution?

There are three types of employer contributions to choose from:

- Match: Incentivizes employees to contribute
- Profit Sharing: Helps the owner with taxes
- Safe Harbor: Makes compliance testing a breeze

2 Will the employer contribution have a vesting schedule?

If you do offer employer contributions, you will need to decide how quickly your employees fully own that money. Generally there are three options for vesting schedules:

- Immediate vesting
- 3-year cliff vesting
- 6-year graded vesting

3 When will employees be allowed to join the 401(k)?

401(k) eligibility parameters determine which employees can join the plan and when. Generally there are three decisions that must be made:

- Minimum age requirement: The maximum is age 21
- Hours worked: The maximum is 1000 hours
- Years of service: The maximum is one year

4 Will the plan include automatic enrollment?

Automatic enrollment means eligible employees will automatically be enrolled in the plan unless they proactively opt out. Plans with automatic enrollment tend to have high participation rates.

5 Will you allow Roth (post-tax) contributions?

A Roth option for your 401(k) plan allows you and your employees to pay taxes on your retirement savings now, instead of when you take distributions in retirement.

6 Will the 401(k) plan allow for loans?

401(k) loans allow participants to borrow against their vested balance without financing or affecting their credit. The downside is loans can jeopardize retirement savings goals by stifling the growth of the participant's account.

Choose Your Investment Lineup

A retirement plan's "fund lineup" refers to the investment options it gives employees. Offering a range of options allows your employees to properly diversify their 401(k) portfolio, regardless of their age or investment goals.

Step 1: Identify your plan's investment objectives, as well as what criteria you or your investment adviser will use when adding or removing funds from your company's 401(k) fund lineup.

Step 2: Choose a diverse group of funds that complement each other.

- You'll want funds from each category, including stocks, bonds and cash.
- Focus on institutional and retirement share classes for lower fees.
- Encourage diverse investment portfolios by making sure your funds don't overlap too much.
- Include a QDIA (Qualified Default Investment Alternative) that creates an investment model based on a participant's age and becomes less risky and volatile as they age.

Step 3: Keep your plan's fund lineup accessible to the average investor by choosing a limited number to include from among your favorite options. Too many options can make it tough for employees to choose.

Fisher Investments + Your Fund Lineup

If you choose the Fisher DIFY solution, we monitor, manage, and update your fund lineup for you. Plus, your employees will get guidance to help them allocate their investments to meet their retirement goals.

Top Rated Adviser
FINANCIAL TIMES
2014 - 2019

Top US-Based Fee-Only Registered Investment Adviser
INVESTMENT NEWS
2016 - 2019

Top DC Advisor Team
NAPA
2018 - 2020

Administer Your Plan

Next, it's time to administer the plan—use this checklist for a look at your responsibilities, and how the Fisher solution helps.

PLAN RESPONSIBILITIES	WHO IS RESPONSIBLE	
	TYPICAL SOLUTION	FISHER SOLUTION
Determine the best plan type	Sponsor	WITH you
Select & monitor providers	Sponsor	WITH you
Determine the best plan design	Sponsor	WITH you
Select, monitor, & update investments	Sponsor	FOR you
Submit payroll contributions	Sponsor	FOR you
Maintain employee census data	Sponsor	FOR you
Track & determine employee eligibility	Sponsor	FOR you
Distribute employee notices	Sponsor	FOR you
Educate employees	Sponsor	FOR you
Plan governance	Sponsor	FOR you
Benchmark plan fees	Sponsor	FOR you
Approve loans/distributions	Sponsor	FOR you
Sign & File IRS Form 5500	Sponsor	FOR you
Maintain fiduciary audit file	Sponsor	FOR you
Obtain fidelity bond coverage	Sponsor	FOR you

Here's a copy of the due dates for specific activates related to your plan. These are all required by IRS/DOL and help keep your plan in working order. We created this 401(k) Compliance Calendar for plan sponsors who want an easy reference for key deadlines. **But don't worry—if you work with Fisher, we'll do most of these items for you or with you:**

JANUARY	FEBRUARY	MARCH	APRIL
15: Provide/Confirm prior year census data **31:** Distribute Form 1099-R	**15:** Review/Approve compliance testing results	**15:** ADP/ACP Corrective Distributions **15:** Fund Employer Contributions (for partnerships) **31:** File Form 1099-R (Recordkeeper) **31:** Complete 5500 Questionnaire	**01:** Engage auditor (for large plan filers) **15:** Distribute Excess Deferrals (if applicable) **15:** Fund Employer Contributions (Corporations)
MAY	**JUNE**	**JULY**	**AUGUST**
		15: Mid-Year Testing **31:** File IRS Form 5500 **31:** File IRS Form 5558 (if 5500 extension needed)	
SEPTEMBER	**OCTOBER**	**NOVEMBER**	**DECEMBER**
15: Fund Employer Contributions (If tax extension filed) **30:** Distribute Summary Annual Report	**01:** Review Your 401(k) Plan Document **15:** File Form 5500 (if extension filed) **15:** Fund Employer Contributions (If tax extension filed)		**01:** Distribute Annual Participant Notices **31:** ADP/ACP Corrective Distributions **31:** Deadline to distribute QNECs (if applicable)

RETIREMENT PLAN COMPLIANCE CALENDAR

DATE	WHO	DETAILS
Jan 15	Plan Sponsor	Census data: Plan sponsor provides/confirms accurate prior year census data to the recordkeeper who will use the information to complete compliance testing
Jan 31	Recordkeeper	Form 1099-R: Deadline to dispense Form 1099-R to participants who received a distribution from the plan in the previous plan year (recordkeeper typically sends the form)
Feb 15	Plan Sponsor	Approve results from compliance testing provided by administrator
Mar 15	Recordkeeper	ADP/ACP corrective distributions: Deadline to process corrective distributions for plans that failed the Actual Deferral Percentage (ADP) or Actual Contribution Percentage (ACP) compliance tests in the previous plan year to avoid a 10% excise tax
Mar 15	Plan Sponsor	Fund employer contributions: Deadline for filing partnership tax returns for partnerships, and for partnerships to fund any employer contributions to the plan and receive a tax deduction for the prior year (unless filing an extension)
Mar 31	Recordkeeper	File Electronic Form 1099-R: Deadline to electronically file 1099-R with the IRS if 1099-Rs were distributed to participants that received a distribution from the plan in the previous plan year
Mar 31	Plan Sponsor	Plan sponsor provides a completed 5500 questionnaire to service provider; the service provider prepares the plan Form 5500
Apr 1	Plan Sponsor	For plans that need an audit, an auditor should be engaged by this date

Continued →

DATE	WHO	DETAILS
Apr 15	Plan Sponsor	Excess contribution refunds: Deadline to refund excess distributions for participants (if any) that contributed more than the 402(g) limits in the previous plan year
Apr 15	Plan Sponsor	Fund employer contributions (for corporations): Deadline for filing individual and/or corporate tax returns to fund employer contributions to the plan and receive a tax deduction for the prior year (unless filing an extension)
July 31	Plan Sponsor	File IRS Form 5500: Deadline to electronically sign and file IRS Form 5500 (unless requesting an extension)
July 31	Plan Sponsor	File IRS Form 5558: File Form 5558 to r equest an extension on filing the IRS Form 5500. TPA or Recordkeeper can provide a signature ready form
Aug 15	Plan Sponsor	Mid-year testing: If the plan previously failed compliance testing, this is a good time to consider mid-year compliance testing
Sep 15	Plan Sponsor	Fund employer contributions: Deadline to for filing partnerships tax returns (if an extension was filed) and is also the deadline for partnerships to fund any employer contributions to the plan and receive a tax deduction for the previous plan year
Sep 30	Plan Sponsor	Distribute Summary Annual Report: Deadline for plans who filed Form 5500 by July 31 to distribute the Summary Annual Report to all plan participants and beneficiaries receiving benefits
Oct 1	Plan Sponsor	Review your plan document: Every fall, review the plan document to make sure that plan management is in compliance with the plan document; amendments to the plan can be made in the fall to be effective in the new year and can be requested from the service provider
Oct 15	Plan Sponsor	File Form 5500 (if extension is filed via IRS Form 5558): Deadline to electronically sign and file IRS Form 5500

Continued →

DATE	WHO	DETAILS
Dec 1	Plan Sponsor	Distribute annual participant notices; notice distributions include: Safe Harbor, QDIA (Qualified Default Investment Alternative), and Automatic Contribution Arrangements (if applicable). These notices can be combined for administrative ease and many service providers can assist plan sponsors with creation and distribution of these notices
Dec 31	Plan Sponsor	ADP/ACP corrective distributions: Deadline to distribute ADP/ACP refunds (if applicable) for the prior year; a 10% excise tax may apply
Dec 31	Plan Sponsor	Fund Qualified Non-Elective Contributions (QNEC): Deadline to make corrections for the plans that failed ADP/ACP compliance testing for the prior plan year using to fund QNEC
Ongoing	Plan Sponsor	Plan sponsor's responsibility to make sure the plan is operated in accordance with the plan document
Ongoing	Plan Sponsor	For each pay period, any amounts withheld as salary deferrals by participants must be deposited by the plan sponsor no later than 7 business days following the day they are withheld
Ongoing	Plan Sponsor	Plan sponsor provides the summary plan description to all newly eligible participants within 90 days of their coverage under the plan
Ongoing	Recordkeeper	Recordkeeper provides quarterly benefit statements to plan participants
Ongoing	Recordkeeper	Recordkeeper will annually distribute participant fee disclosure 404(a) to all participants

Get Started

The benefits of a retirement plan without the burden.

We specialize in affordable and hassle-free retirement plans for small business.

Visit us at www.fisher401k.com/start to learn more about how Fisher can help you start the right retirement plan for your business.

Retirement Plan Provider Interview Questionnaire

QUESTIONS

- What level of fiduciary protection are you offering and for what cost?
- Do you provide proactive employee support and guidance?
- Do you have a range of investment options to support employees' unique investment goals and or level of expertise in investing?
- Do you offer a dedicated single point of contact for all retirement related concerns (even acting as a point person on my behalf with other providers).
- Do you offer one-on-one enrollment and educational sessions with employees?
- Do you collaborate with the employer to increase attendance and participation?
- Are the fees fair and transparent?
- Do you have more than 10 small business retirement plan clients?
- Do you offer regular insights on market conditions and retirement planning?

Glossary

3(21) Investment Adviser

A paid professional who provides investment recommendations for the 401(k) plan to the plan sponsor. However, the plan sponsor ultimately retains the decision making authority and may accept or reject the recommendations. A 3(21) Investment Adviser shares fiduciary responsibility with the plan sponsor.

3(38) Investment Manager

An authorized investment professional responsible for selecting, monitoring and replacing investments in the 401(k) plan. A 3(38) Investment Manger relieves the plan sponsor of fiduciary responsibility for managing the plan's investment lineup.

401(k) Plan

An IRS-qualified savings plan that is sponsored by an employer to allow employees to save for retirement directly from their paycheck on a post-tax and/or pre-tax basis.

Automatic Enrollment

A plan feature where all eligible employees are automatically enrolled in the plan without requiring the employees to submit a request to participate. Employees who do not want to make deferrals to the plan must actively file a request to be excluded from the plan.

Automatic Escalation

A plan feature which automatically increases elective deferrals on a periodic basis.

Compliance Testing

Testing required by the IRS to make sure that the 401(k) plan is fair to both highly-compensated and ordinary employees.

Contribution Limits

Annual limits set by the IRS on the amount that can be contributed to a 401(k) plan. For 2020, the maximum an individual can contribute is $19,500 (plus $6,500 in catch up for those 50 and older). The total that can be contributed on behalf of an individual (individual contribution + employer contribution) is $57,000 (plus $6,500 in catch up for those 50 and older).

Continued →

Department of Labor (DOL)

The federal agency responsible for work-related benefits and rights, including administering ERISA.

Employer Matching Contribution

The amount, if any, that the employer contributes to the employee's 401(k) account. Matching contributions are usually configured to provide a set percentage of an employee's contribution up to a fixed limit.

ERISA

Employee Retirement Income Security Act or ERISA. This law was passed in 1974 and is a comprehensive package dealing with all areas of pensions and employee benefits, not just 401k plans. ERISA includes requirements on pension disclosure, participation standards, vesting rules, funding, and administration.

ERISA Plan Audit

An examination of a 401(k) plan's financial statements conducted by a certified public accountant. Plans with more than 100 or more participants are required to be audited annually.

Fiduciary

An individual or an institution charged with the duty of acting for the benefit of another party as to matters coming within the scope of the relationship between them. For example, any person who exercises any discretionary authority or control over the management of a 401(k) retirement plan or its assets.

Fiduciary Audit File

A compilation of all documents a plan sponsor would need in the event of a plan audit. Can be maintained as a physical or electronic file.

Form 5500

A compliance, research and disclosure tool for the Department of Labor. Every 401(k) must file one annually in order to remain compliant.

Highly Compensated Employee (HCE)

For 2020, any employee who:

- Will earn more than $130,000 in gross compensation in 2020; or
- Is a 5% (or greater) owner of the company; or
- Is a direct family member (spouse, child, parent, grandparent) of a 5% (or greater) owner of the company

Continued →

Investment Adviser

A service provider for a 401(k) plan who may help select and monitor investments, and meet with you and your employees on a regular basis to make sure the plan is running well and help employees with their retirement goals.

Participant

An employee who is eligible to either make contributions to the retirement plan or to share in employer contributions to the plan.

Participant Contributions

The dollars that employees contribute to their 401(k) plans.

Participation Rate

The percentage rate at which eligible employees participate (make contributions) in a plan. Many plans use this as a metric to help understand how engaged their employees are in the plan. It is calculated by taking the number of employees participating in the plan divided by the total number of employees that are eligible to participate in the plan.

Plan Benchmark

A process to help determine whether fees paid by plans are "reasonable." Typically, this is done by comparing the fees paid by similarly sized plans receiving similar services.

Plan Document

A written instrument under which the plan is established and operated.

Plan Sponsor

The entity (generally the employer) responsible for establishing and maintaining the plan.

Qualified Default Investment Alternative (QDIA)

A plan's default investment option that is used when a plan participant has not made an investment selection for their 401(k) asset that meets the DOL requirements to be considered a "qualified default investment alternative." QDIAs provide plan sponsors additional fiduciary protection regarding the investment performance of default investments.

Recordkeeper

A service provider for a 401(k) plan who keeps track of the different money sources in the plan, provides online support and participant statements. The recordkeeper may also perform administrative, custodial or trustee functions.

Continued →

Roth 401(k)

A 401(k) feature that allows employees to make elective contributions on an after-tax basis. Qualified withdrawals, generally after age 59½, of any money from the account (including investment gains) are tax-free.

Third Party Administrator (TPA)

A party hired by a plan or its fiduciaries to conduct annual plan administration, including preparing IRS Form 5500, performing compliance testing and maintaining the plan document.

Vesting

The period of time an employee must work at a firm before gaining access to employer-contributed retirement plan income. For 401(k) plans, employee contributions are immediately vested, but employer contributions may be vested over a period of several years.

K09201M