



# The 4k-Shield

Protection from Fiduciary Risk for 401(k) Plans

## 401(k)

► The fiduciary risks of sponsoring a 401(k) plan have changed dramatically. The fiduciary requirements have always been there; however, the risk of litigation has increased. This litigation comes at a significant cost for you as a fiduciary, because the liability is personal. There is no corporate veil of protection for either named or functional fiduciaries of a 401(k) plan.

There is no disputing that providing a 401(k) plan for your employees is fundamental to attracting and retaining a talented workforce, but this does not require you to be in the 401(k) business. Protect yourself and your management team, while providing your employees the most comprehensive, best-of-breed 401(k) plan available.

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### » 4k-Shield Sponsor Protection

Odyssey OneSource is the sponsor of the 401(k) plan and our clients become co-sponsors of the plan. As the plan sponsor, Odyssey OneSource maintains the 401(k) plan and assures compliance with applicable laws and provisions.

### » 4k-Shield Fiduciary Protection

With the Department of Labor's (DOL) ever-increasing focus on enforcement of ERISA regulations, the liability exposure to both investment and administrative fiduciary functions has never been greater. In 2008, the DOL conducted 3,500 investigations which generated more than \$1 billion in recoveries for ERISA plans. Odyssey OneSource addresses the various risks of sponsoring a 401(k) retirement plan and offers a unique, comprehensive solution, covering a wide array of fiduciary risks.

### » 4k-Shield Administrator Protection

Odyssey OneSource is the administrator of the 401(k) plan. As the plan administrator, Odyssey OneSource is responsible for: processing contribution files, loans and distributions, administering plan provisions, provide information and education to plan participants in compliance with ERISA, annual audit of the plan, reconciling participant account balances, and filing the annual Form 5500.

### » 4k-Shield Excellent Service

Our clients maintain plan design flexibility for eligibility, match, vesting and profit sharing without having to deal with the complex paperwork and regulations that would otherwise be required. Our clients do not have to file 5500s or pay for plan audits. It's all part of our service.



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We do the work for you!

Odyssey OneSource 401(k) Fiduciary Responsibilities

### Plan Sponsor Duties

- Design plan document and maintain qualified status
- Appoint and monitor all other plan fiduciaries

### Plan Investment Duties

- Produce and maintain an Investment Policy Statement (IPS)
- Select investment platform meeting ERISA "Prudent Person" standards
- Conduct quarterly Investment Committee meetings
- Review and document investment returns, fees, expenses, and comparisons to peer group
- Monitor status of all investment options and remove or replace as appropriate

### Plan Administrator Duties

- Determine participant eligibility
- Conduct enrollment and educational meetings
- Send out enrollment packets including Summary Plan Description
- (SPD), 404(c) Compliance Information, Qualified Default Investment Alternative (QDIA), and Explanation of Expenses
- Comply with ERISA Section 2550.404(c) provisions for participant communication, including but not limited to distributing:
  - Notice to participants of intention to comply with 404(c)
  - A description of investment alternatives available in the plan
  - General description of the investment objectives and risk and return characteristics of each alternative
- Description of transaction fees and expenses which affect the participants' account balances
- Specified information regarding the plan fiduciaries
- A description of the annual operating expenses of each investment alternative
- Copies of prospectuses, financial statements, and reports provided to the plan
- Audit, reconcile and submit 401(k) file to TPA each pay period
- Address specific participant requests and/or directions in compliance with 404(c)
- Administer participant loans in compliance with statutory requirements
- Send out participant termination packets
- Administer distribution and rollover requests for terminated employees
- Administer hardship withdrawals in compliance with the Hardship Rules, included in new provisions of PPA of 2006
- Submit year-end census data to TPA
- Review and validate compliance testing
- Provide for annual audit of the plan
- Oversee and manage process, in conjunction with TPA, for annual filing of Form 5500
- Send out required year-end notices to participants (i.e. Safe Harbor, Summary Annual Report/SAR)

## Your Duties Under 4k-Shield

- **Serve as a co-adopter of the plan**
- **Select customized plan design options to meet your business needs**



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## First Step

We offer an initial plan design consultation. Pinnacle Financial Services is nationally recognized as a leading TPA for Multiple Employer Plans. They were the first TPA to receive the American Society of Pension Professionals & Actuaries certification of best practices for recordkeepers. Their systems and best practices provide our plan participants the highest level of accuracy.

## Adopting the Plan

Under Odyssey OneSource's 4k-Shield, you complete an adoption agreement to become a co-sponsor of the Odyssey OneSource Multiple Employer Plan. If you currently sponsor a plan, we'll perform a thorough review of your plan and then merge the assets into the Odyssey OneSource 401(k) plan. Since Odyssey OneSource serves as the sponsor of the plan, you significantly mitigate your fiduciary liability for the sponsor investment and administrator functions of the plan.



## The 4k-Shield - the optimal 401(k) solution

Odyssey OneSource's 401(k) provides the "Platinum Standard" in fiduciary protection. Backed by Morningstar / Ibbotson and Stadion Money Management, the 4k-Shield provides full scope ERISA Section 3(21) fiduciary protection. With Odyssey OneSource acting as full scope operational fiduciary, the 4k-Shield is your optimal 401(k) solution.

To learn more about Odyssey's 4k-Shield, contact one of our Sales Consultants at 866.508.7361 or visit us online at [www.odysseyonesource.com/401k](http://www.odysseyonesource.com/401k)



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THE BLACK BOOK  
OF OUTSOURCING

