

Defined Contribution Plans - Who does what?

An overview of responsibilities.

Defined Contribution Plans can be very complex. Click below to get a quick overview of responsibilities and who typically handles each.

- TPA: The Third Party Administrator is hired by the plan sponsor to run many of the day-to-day aspects of the retirement plan.
- Advisor: Assists the employer in choosing a recordkeeper. Provides investment education to plan sponsors and participants.
- Plan Sponsor: Typically the employer.
- Recordkeeper: Company that tracks plan investments, who is in the plan and the investments they own, and what goes in and out of the plan.

SERVICES	TPA	ADVISOR	PLAN SPONSOR	RECORDKEEPER
Plan Setup				
Design plan	◆		◆	
Prepare plan documents, plan amendments & IRS plan qualification filings	◆			
Complete summary plan description	◆			
Compile & electronically provide participant census data to SMA Services, Inc.			◆	
Provide SMA Services Inc., with plan provision information	◆		◆	

Review & select participant services		◆	◆	◆
Coordinate with payroll service	◆		◆	◆
Identify plan-appropriate investment options		◆	◆	
Enrollment & Education				
Personalized enrollment support		◆	◆	◆
Personalized ongoing education		◆	◆	◆
Recordkeeping				
Electronically submit timely & accurate plan contributions (by contribution types)			◆	
Provide daily valuation of accounts				◆
Grant access to retirement accounts via internet or phone & access to call support				◆
Offer asset allocation resources				◆
Create & distribute participant statements				◆
Develop plan sponsor statements				◆
Compliance & Reporting				
Authorize & setup TPA				◆

access to participant data				
Provide salary information to SMA Services, Inc. (TPA)			◆	
Provide participant data to SMA Services, Inc. (TPA) for plan compliance testing			◆	
Get plan data from recordkeepers website	◆	◆	◆	◆
Review employee census & monitor plan eligibility & entry dates	◆		◆	
Conduct top-heavy testing & contribution calculation	◆			
Calculate 415 limits	◆			
Perform ADP/ACP nondiscrimination tests	◆			
Conduct miscellaneous compliance tests for specific plan designs	◆			
Prepare allocations of plan sponsor contributions and forfeitures	◆			
Provide information for Schedule A & applicable schedules & an Audit Package if required				◆
Complete Form 5500 series annual reports &	◆			

schedules & summary annual report				
E-file 5500 series annual reports & schedules			◆	
Provide support to help plan meet legislative compliance requirements	◆			
Distributions, Loans, & Withdrawals				
Conduct benefit event process & education (such as employee termination)	◆	◆	◆	◆
Calculate participant vesting percentages	◆			◆
Help with spousal consent requirements	◆		◆	◆
Initiate vested benefit payouts	◆		◆	
Recordkeeping plan participation loans (if allowed by plan)	◆			◆
Monitor & calculate Required Minimum Distributions	◆			
Coordinate income tax withholding				◆
Prepare Form 1099-R				◆
Issue checks				◆