



The Six Types of Fiduciaries in Retirement Plans You Need to Know



A retirement plan having one or more fiduciaries who have distinct responsibilities, though many individuals and committees may serve in multiple fiduciary roles. Here is a brief overview of the categories of fiduciaries:

1. **Named Fiduciary:** This fiduciary should be named in the plan document and is the primary decision-maker for the retirement plan. They are responsible for controlling, managing, and administering the plan. A named fiduciary may be an employee of the sponsor or an independent third party.
2. **Plan Administrator:** This fiduciary is responsible for the plan's government filings, making required disclosures to participants, hiring service providers, and fulfilling other responsibilities set forth in the plan document.
3. **Trustee:** The trustee has exclusive authority and discretion over the management and control of plan assets.
4. **Investment Manager:** This fiduciary has full discretionary powers for selecting, monitoring, and replacing plan investment options, as defined by ERISA section 3(38).
5. **Investment Advisor:** This fiduciary provides investment advice and monitoring services to the retirement plan. An investment advisor does not have explicit discretionary control over plan assets but may exercise a certain level of influence over the operation of the plan. This fiduciary must meet the fiduciary standards set forth in ERISA.
6. **Other Fiduciaries:** Individuals who are members of various plan-related committees appointed by the named fiduciary, as well as others whose actions may dictate fiduciary status, may fall within the definitions of fiduciary under ERISA. It is important to monitor those individuals who are explicitly named as fiduciaries in writing, as well as those that have a high likelihood of undertaking fiduciary actions on behalf of the plan.

In all cases, the plan sponsor retains the authority to remove and replace any fiduciary, even if they have delegated day-to-day responsibilities to others. As a result, the sponsor/named fiduciary retains the responsibility to monitor any persons to whom they have delegated responsibilities on an ongoing basis. It is essential to understand the roles and responsibilities of each fiduciary and to ensure that they're acting in the best interests of the retirement plan and its participants.

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