



## Advisory Services Outline

Fiduciary Services Are Designated Below– Fiduciary Services Are Provided Under ERISA Section 3(38) As A Plan Investment Manager

### **Investment Policy Statement – Fiduciary Service**

The plan's IPS provides the guidance and specific parameters that the investments must meet to be offered in the plan. The IPS also identifies actions to be taken should an investment require additional review or replacement. BCMRS services include:

- Draft IPS document for approval by the Plan Committee
- Annual review of IPS language
- Annual update of IPS language – as needed
- Review and update of IPS upon release of future DOL guidance

### **Initial Investment Menu Development – Fiduciary Service**

The plan's starting investment menu is important as proper investment selections should result in 404(c) compliance and the assertion of the "custody safe harbor" for plan sponsors. BCMRS services include:

- Review of current plan balances and allocations – Homeostatic Allocation
- Selection of Asset Classes to be represented in the plan
- Determination of a target number of fund choices for participants
- Determination to include Target Date Funds
- Determination to include Asset Allocation Portfolios
- Discussion on proper use and inclusion of Index Funds
- Documentation of the meetings, process and determinations
- Evaluation of the total investment offerings by the chosen vendor
- Recommendation of initial funds list based on available investment pool

## **Investment Menu Monitoring- Fiduciary Service**

Investment monitoring and compliance with the IPS is one of the most critical processes for creating a quality and compliant plan. BCMRS services include:

- Annual comprehensive Fiduciary Investment Review and IPS review to the committee
  - Markets review
  - Plan allocation review
  - Style box analysis
  - Review of fund menu scoring
  - Returns analysis - review of fund menu vs index and risk data
  - Identification of any watch list funds and recommendations
  - Summary of investment fees
  - Comprehensive data report for each fund
- Quarterly review of managed plan investments
  - “Scorecard” to identify fund quality trends
  - Test of IPS parameters and compliance
  - Review of plan investment balances to identify any over-concentrations
  - Identification of any investments that require additional “watch”
  - Identification of any funds that require replacement based on IPS criteria

## **Investment Menu Replacement – Fiduciary Service**

Removing a fund that is no longer in compliance with the IPS or when a better choice is available is paramount to maintaining plan investment quality. The process is managed by BCMRS and in most cases the plan participants need not take any action. BCMRS services include:

- Research and identification of what fund should replace a “remove” fund
- Provide notification to custodian for what funds to replace
- Determine fund balance mapping to new fund(s)
- Determination of implementation date
- Preparation of replacement documents for participant distribution
  - Participant fund change notice – sample is available
  - Participant 404(a)5 disclosure documents
- Provide participant support for any questions
- Review and confirmation that all assets have been transferred 30 days after implementation date – residual balances

## **Model Allocation Portfolios – Fiduciary Service**

Using the plan's fund menu BCMRS will create optimized allocation models that participants can select as an investment option. These portfolios are monitored, rebalanced and back tested. Participants can select from a basic risk profile to select the best allocation for their needs. BCMRS services include:

- Creation of the model allocations using portfolio optimizing software
  - Conservative Allocation
  - Moderate Allocation
  - Growth Allocation
- Select the funds that will be included in the allocation models
- Back test the models for both return and risk measurements
- Rebalance the allocation for participants regularly
- Provide the plan sponsor with model reviews and reporting
- Monitor the usage by plan participants and report back to the sponsor

## **Participant Education – Fiduciary Service**

Educating the participants about their high quality plan is the key to success, for both sponsors and retirees. Many participants fail to review or update their retirement plan options regularly. Through participant meetings BCMRS will help to educate the participants on the plan options and how to maximize their benefits. All meetings are conducted by a BCMRS representative so the participants are able to ask direct questions to the managers of the plan investments.

The following Non-Fiduciary support services are included in our fee. We believe that our expertise in these areas compliments the fiduciary services provided. These functions are fundamental in achieving comprehensive high quality plan management.

### **Development of Plan Governance Systems- Non Fiduciary Service**

Each plan requires a governance structure to meet the ERISA monitoring requirements. This system is critical to the effective management and operations of the plan. BCMRS services include:

- Assistance in identifying and developing a Plan Committee
- Provide a draft Plan Committee Charter including responsibilities
- Provide a draft Fiduciary Acceptance Letter for committee members
- Fiduciary education for the committee on their roles and duties
- Fiduciary process audits – test governance process and identify gaps or shortcomings

### **Fee Disclosure 408(b)2 – Sponsor – Non Fiduciary Service**

Each service provider to the plan is required to provide a disclosure of their fees and fiduciary status annually. Unfortunately, this means the plan sponsor ends up with a multitude of reports, one from each service provider, each of widely varying quality and format. Since the sponsor is supposed to review these reports comprehensively, this can create difficulties. BCMRS will create a single report that includes all the plan service providers so the sponsor can review the plan fees and how they are paid. BCMRS services include:

- Identification of all plan service providers
- Data gathering of each provider's fees
- Identification of revenue sharing fees
- Enumeration of sponsor paid fees
- Compilation of a single report including all the plan fee data
- Report can be used for benchmarking
- Report complies with the 408(b)2 rules
- BCMRS reviews the report with each client annually

## **Fee Disclosure 404(a)5 – Participant – Non Fiduciary Service**

Plan sponsors are required to provide participants an annual report of the plan fees. Often this report is very hard to understand or missing data for similar reasons as the 408(b)2 report. Using our consolidated 408(b)2 data, BCMRS creates a comprehensive report that is easy to read and educates participants about the plan fees. BCMRS services include:

- Identification of all plan service providers
- Data gathering of each provider's fees
- Compilation of a single report including all the plan fee data
- Report is ready for distribution by the sponsor upon delivery

## **Identification of Vendors- Non-Fiduciary Service**

Each plan has a unique set of goals and is implemented for specific reasons. When your advisor understands the plan mission and goals, plan service vendors can be identified that will best allow the sponsor to reach the plan goals. BCMRS services include:

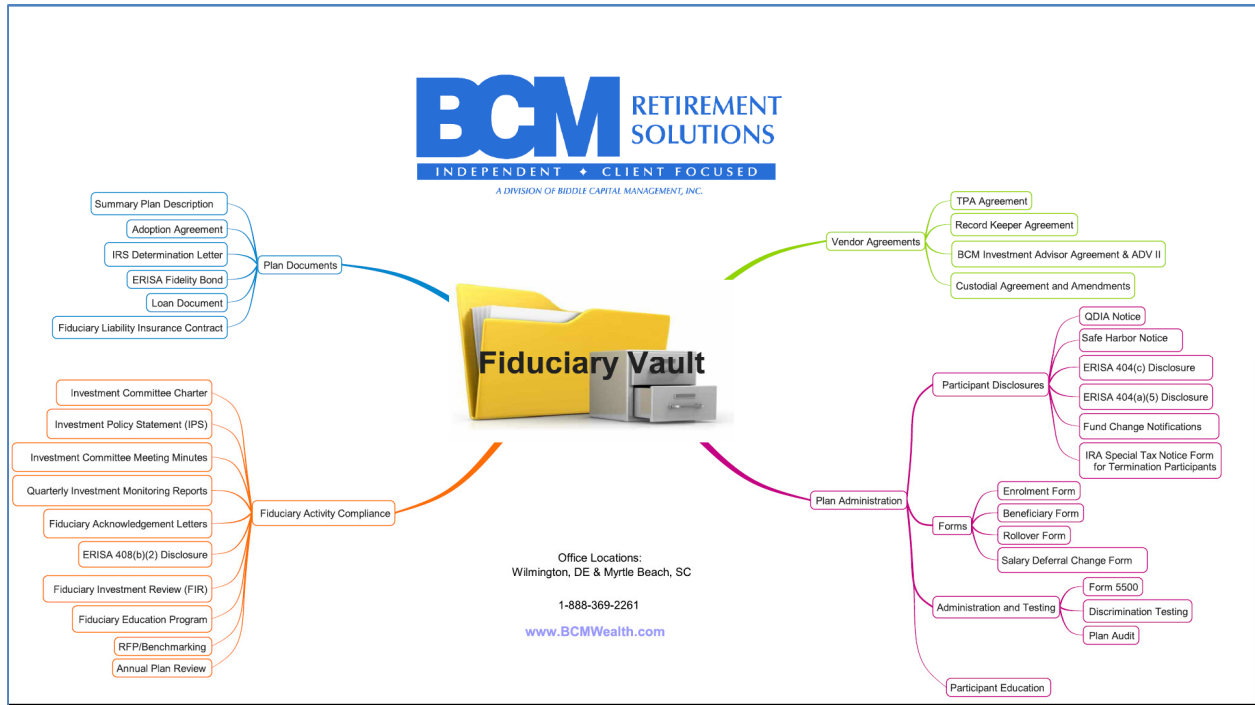
- Identification of key services required by each service provider
- Determination of what service providers can provide key services
- Recommendation of each service provider:
  - Custodian
  - Recordkeeper
  - Administrator
  - Auditor

## **Documentation - Fiduciary Vault - Non Fiduciary Service**

Documenting the actions and process of your plan governance is critical to show compliance with ERISA requirements and manage a plan effectively. In order to facilitate this documentation BCMRS will create and host a secure Fiduciary Vault that can contain all the documents that pertain to the plan. Service providers can be granted access to this cloud-based vault to store their documents or access documents. The Fiduciary Vault is also a secure off-site backup of the plan documents. BCMRS services include:

- Establishment and design of Fiduciary Vault – sample file map is available
- Manage permissions for access to Vault – including other service providers
- Automatically file documents and forms that are created by BCMRS

# Fiduciary Vault Map



## Newsletter Communication – Non Fiduciary

Communication with both sponsors and participants is a focus of our services. Each month a sponsor-appropriate and participant-appropriate newsletter is distributed to the plan sponsor. Various topics are covered that are both timely and educational.

The following service can be provided for an additional fee:

## Fee Benchmarking and RFP – Non Fiduciary

Determining the appropriateness of plan service provider's costs is both necessary and very complex. It is critical that any bids or proposals be "normalized" in a way that makes the information directly comparable with other bids. Having experience and knowing the "tricks" that bidders use to get business provides BCMRS with a unique ability to help plan sponsors evaluate services and costs. BCMRS services include:

- Development of a standard to evaluate providers
- Reviewing and "normalizing" bids to make them comparable across different platforms and providers
- Spread sheeting costs and services for easy review
- Illustrating fees as the plan grows
- Benchmarking current plan fee against similar plans – peer group
- Recommendation of best value providers