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Hello future.®

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LCN1002-2038618  
POD 5/11 Z03  
Order code: DC-AMFA-BRC001

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**Lincoln**  
Financial Group<sup>SM</sup>

FOR RETIREMENT

*Lincoln Director*<sup>SM</sup>

# A new perspective on protection

Multiple Employer Plan opportunities and the  
*Lincoln Director*<sup>SM</sup> fiduciary solution

Overview

Hello future.<sup>®</sup>



The Lincoln National Life Insurance Company  
Lincoln Life & Annuity Company of New York

# Fiduciary protection

Good intentions—even good returns—aren't enough when it comes to meeting plan sponsors' fiduciary responsibilities. Liability can extend beyond investment losses. A prudent process to select and monitor investment options is essential. A Multiple Employer Plan (MEP)—a retirement plan for businesses that typically have a common interest but are not commonly owned—may offer the fiduciary protection many plan sponsors need.

Small employers rank meeting fiduciary responsibilities among the top concerns related to sponsoring a retirement plan.<sup>1</sup> Just as plan sponsors strive to protect employees' best interests, Lincoln Financial can help protect plan sponsors by facilitating their membership in an MEP.

## Plan sponsor responsibilities **BEFORE** joining a Multiple Employer Plan

### Plan sponsor duties

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

### Plan investment fiduciary 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

### Operational plan administrator duties

- Determine participant eligibility
- Conduct enrollment and educational meeting
- 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:
  - 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 that affect the participant's account balance
  - Specified information regarding the plan fiduciaries
  - A description of the annual operating expenses of each designated investment alternative
  - Copies of prospectuses, financial statements, and reports provided to the plan
- Address specific participant requests and/or instructions 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
- Oversee annual census reconciliation with 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)

## Plan sponsor responsibilities **AFTER** joining a Multiple Employer Plan

- Select customized plan design options to meet your business needs
- Serve as a co-adopter of the plan
- Submit 401(k) file each pay period
- Deposit contributions on a timely basis
- Provide final annual census and payroll data for testing and audit purposes

<sup>1</sup> "Economy Not Putting Pressure on Small Biz to Offer 401(k)," 401khelpcenter.com, June 8, 2009.

Plan sponsors who choose to participate in an MEP (Multiple Employer Plan) retain the fiduciary obligation of oversight, e.g., periodic review of the MEP to see if the employer should continue in the MEP.



In addition to an MEP, plan sponsors may appreciate the fiduciary services available in the *Lincoln Director*<sup>SM</sup> retirement program. It offers 90-plus investment options, risk-based and target-date asset allocation funds, Qualified Default Investment Alternatives, innovative lifetime income distribution options, award-winning investment education, comprehensive plan administration services, an easy-to-do-business-with approach, and fiduciary support.

Three trusted names in retirement plans—Lincoln Financial, Ibbotson Associates, and Stadion Money Management—weave their separate strengths into the *Lincoln Director*<sup>SM</sup> program, offering three powerful levels of fiduciary protection. These options include the following:



**The Lincoln Financial Group® Fiduciary Services Guarantee** ensures that the investment options available will enable plan fiduciaries to meet ERISA fiduciary requirements.

**The Stadion Qualified Default Investment Alternatives (QDIAs)** offer a final layer of 404(c) legal protection for assets invested in them—even if the plan isn't ERISA 404(c) compliant. Additionally, Stadion includes a warranty indemnifying the plan sponsor should Stadion fail to meet certain requirements. Participants receive active account management aimed at limiting losses during the market's worst times.

**The Lincoln Ibbotson Insight Series** is a specially crafted subset of the *Lincoln Director*<sup>SM</sup> lineup chosen by Ibbotson Associates. It provides the assurance that funds have been carefully selected from an outstanding array. It also provides a customized Investment Policy Statement and a pledge of fiduciary responsibility in the selection, deselection and monitoring of investment options.

Joining a Multiple Employer Plan (MEP) can allow a retirement plan sponsor to insulate itself from virtually all day-to-day fiduciary investment risk, operational/administrative risk, and oversight monitoring duty. In short, an MEP is an opportunity for a plan sponsor to delegate fiduciary responsibility and liability.