

ERISA 404(c) Compliance Checklist





Does your Plan meet each of the regulation requirements to have ERISA 404(c) liability protection?

ITEM #	REQUIREMENT	MUST PROVIDE	MAKE AVAILABLE	HOW FULFILLED
	PARTICIPANTS EXERCISE CONTROL OVER ASSETS IN THEIR ACCOUNTS			
1	<ul style="list-style-type: none"> ■ A reasonable opportunity to give investment instructions 			
1A	<ul style="list-style-type: none"> ▲ Name, address & telephone number of the fiduciary who is responsible for carrying out participant investment instructions 	X		
1B	<ul style="list-style-type: none"> ▲ Participants must be notified of any limitations on giving investment instructions 			
1B1	<ul style="list-style-type: none"> ● Restrictions are permitted on investment instructions to prevent prohibited transactions and transactions that would generate taxable income to the Plan 	X		
1B2	<ul style="list-style-type: none"> ● Notice to Participants about transactions the fiduciary will not process in order to avoid disqualifying the Plan 	X		
1B3	<ul style="list-style-type: none"> ● An explanation of any restrictions or limitations on instructions and transfers 	X		

ITEM #	REQUIREMENT	MUST PROVIDE	MAKE AVAILABLE	HOW FULFILLED
1C	▲ Procedures for directing investments	X		
1D	▲ Frequency permitted for investment instructions for each investment alternative and that it is appropriate in light of market volatility of each investment option	X		
2	■ Voting and tender rights			
2A	▲ Notification of any restrictions on the exercise of voting, tender and similar rights	X		
2B	▲ Reference to Plan provisions relating to exercise of voting, tender or similar rights	X		
3	■ An opportunity to receive written confirmation of investment instructions			
4	■ The opportunity to obtain sufficient information to make informed investment decisions			
4A	▲ Name, address & telephone number of the fiduciary responsible for providing investment information	X		
4B	▲ For each investment alternative, participants must be provided with specific information:			

ITEM #	REQUIREMENT	MUST PROVIDE	MAKE AVAILABLE	HOW FULFILLED
4B1	<ul style="list-style-type: none"> • A general description of investment objectives 	X		
4B2	<ul style="list-style-type: none"> • Risk and return characteristics 	X		
4B3	<ul style="list-style-type: none"> • Type and diversification of assets in the portfolio 	X		
4B4	<ul style="list-style-type: none"> • Identification of any designated investment managers 	X		
4B5	<ul style="list-style-type: none"> • Annual operating expenses 		X	
4B6	<ul style="list-style-type: none"> • Financial statements and reports 		X	
4B7	<ul style="list-style-type: none"> • Net asset value of shares 		X	
4B8	<ul style="list-style-type: none"> • Past and current investment performance, net of expenses 		X	
4C	<ul style="list-style-type: none"> ▲ A description of any transaction fees and expenses in connection with purchases and sales, including: 			
4C1	<ul style="list-style-type: none"> • Commissions 	X		
4C2	<ul style="list-style-type: none"> • Sales loads 	X		
4C3	<ul style="list-style-type: none"> • Deferred sales charges 	X		
4C4	<ul style="list-style-type: none"> • Redemption or exchange fees 	X		
	<ul style="list-style-type: none"> • Administration fees 	X		
	<ul style="list-style-type: none"> • Recordkeeping fees 	X		
	<ul style="list-style-type: none"> • Investment advisory fees 	X		



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5	<ul style="list-style-type: none"> ■ A written notice stating that: The Plan intends to comply with 404(c), and the Plan fiduciaries may be relieved of liability for losses due to participant investment direction 	X		
5A	<ul style="list-style-type: none"> ▲ SPD states intention to be a "404(c) Plan". 			
5B	<ul style="list-style-type: none"> ▲ Detailed "Notice of Intent" provided to Plan participants 			
5C	<ul style="list-style-type: none"> ■ Detailed 404(c) Procedures provided to participants 	X		
6	<ul style="list-style-type: none"> ■ A copy of the most recent prospectus is provided immediately prior to first investing in a fund, if the investment alternative is subject to the Securities Act of 1933 (a mutual fund) 	X		
7	<ul style="list-style-type: none"> ■ Investment change frequency appropriate in light of market volatility 	X		

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	<p>PARTICIPANTS CAN CHOOSE FROM A BROAD RANGE OF INVESTMENT ALTERNATIVES</p>			
8	<ul style="list-style-type: none"> ■ At least three investment alternatives (“core options”) be made available to participants; 	X		
8A	<ul style="list-style-type: none"> ▲ Each having materially different risk and return characteristics; 	X		
8B	<ul style="list-style-type: none"> ▲ Which, when combined, enable participants to achieve a portfolio with aggregate risk/return characteristics within appropriate range 	X		
8C	<ul style="list-style-type: none"> ▲ To support the appropriateness of the investment alternatives offered to participants: 			
	<ul style="list-style-type: none"> • Selection criteria for investment alternatives 			
	<ul style="list-style-type: none"> • Monitoring of selection of alternatives 			
	<p>FOR PLANS THAT PERMIT PARTICIPANTS TO INVEST IN EMPLOYER SECURITIES:</p>			
9	<ul style="list-style-type: none"> ■ Procedures that provide for confidentiality relating to such an investment by the participant 			



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10	<ul style="list-style-type: none"> ■ Name, address & phone number of the fiduciary responsible for monitoring compliance with Employer Securities procedures 			
11	<ul style="list-style-type: none"> ■ Materials relating to any voting or tender rights that pass through to the participant 			
12	<ul style="list-style-type: none"> ■ Transfers to and from Employer Securities are as often as the other investment options that qualify for 404(c) protection or transfers into and out of other investment options as often as permitted for Employer Securities 			
	<p>IF THE PLAN INCLUDES A DIRECTED BROKERAGE ACCOUNT:</p>			
13	<ul style="list-style-type: none"> ■ Controls to prevent investments not permitted by the Plan document or by 404(c) requirements 			
14	<ul style="list-style-type: none"> ■ No unreasonable limitations permitted on investments 			
15	<ul style="list-style-type: none"> ■ Reasonable charges for executing trades and maintaining accounts 			
16	<ul style="list-style-type: none"> ■ How investment information will be provided to fulfill all of item #4, above 			

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17	<ul style="list-style-type: none"> How responsibilities of named 404(c) fiduciaries will be carried out 			
18	<ul style="list-style-type: none"> Materials relating to any voting or tender rights that pass through to the participant 			
	PLAN SPONSOR RESPONSIBILITIES			
19	<ul style="list-style-type: none"> Plan Sponsor may not permit Prohibited Transactions to occur as a result of participant investment direction 			
20	<ul style="list-style-type: none"> The fiduciary responsible for carrying out participant investment directions may not implement any investment directions that are not in accord with Plan provisions 			
21	<ul style="list-style-type: none"> Plan Sponsor may not permit participant investment directions that cause any fiduciary to maintain indicia of ownership on investments outside the U.S. 			
22	<ul style="list-style-type: none"> Plan Sponsor may not permit investments that adversely affect the Plan's qualified status 			
23	<ul style="list-style-type: none"> Plan Sponsor may not permit investment directions that could result in an account losing more than 100% of its value 			
24	<ul style="list-style-type: none"> The Plan may not have unreasonable restrictions on investment elections or on changing investments 			

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25	<ul style="list-style-type: none"> ■ In order for participants to have independent control over their accounts, Plan fiduciaries may <u>not</u>: 			
25A	<ul style="list-style-type: none"> ▲ Improperly influence participants in making their investment choices 			
25B	<ul style="list-style-type: none"> ▲ Conceal material non-public facts regarding an investment option 			
25C	<ul style="list-style-type: none"> ▲ Accept instructions from a participant knowing him or her to be legally incompetent 			
25D	<ul style="list-style-type: none"> ■ Charges against participant accounts must be reasonable 			
	<p>ADDITIONAL 404(c) COMPLIANCE ACTIVITY</p>			
26	<ul style="list-style-type: none"> ■ Default asset allocation <ul style="list-style-type: none"> ▲ Documented selection criteria ▲ Monitoring 			
27	<ul style="list-style-type: none"> ■ Monitoring process for Plan Sponsor 404(c) responsibilities <ul style="list-style-type: none"> ▲ Annual reminder of responsibilities ▲ Annual certification by Plan Sponsor of compliance 			
28	<ul style="list-style-type: none"> ■ Will there be a designated "Responsible Party" to carry out 404(c) fiduciary responsibilities for investment information and investment instruction processing? ■ If so, who is the designated party? 			



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29	<ul style="list-style-type: none"> ■ Provide annual monitoring of 404(c) compliance for the Plan to update: <ul style="list-style-type: none"> ▲ Investment options offered ▲ Information on investment options ▲ 404(c) procedures in response to case law changes, regulations issued and statutes 			