

Fiduciary Series

How to Calculate Your Fiduciary Score*

Count the boxes you marked on the reverse side.
If your total was:

24-29: You seem to be on the right track. Continue to prudently investigate, monitor and document.

20-23: You're headed in the right direction, but need to improve in a few areas to manage your risk.

16-19: You've taken a few steps toward managing your fiduciary responsibilities, but may be exposing yourself to liability in several areas.

15 or fewer: If you do not take steps immediately to meet your obligations you may find yourself in hot water.

Use this Success Quiz to determine where you have definite areas for improving the management of your fiduciary duties. However, regardless of your score, it's always a good idea to refresh your knowledge of the fiduciary guidelines and ensure you're meeting your fiduciary responsibilities to the fullest potential. You should even periodically review items that you were able to mark "yes", to determine if there's more that could be done in those areas. Your score will provide a general idea of how you're fulfilling your responsibilities, but it does not include all your obligations under ERISA.

*To make the Quiz easy to use, each item is given the same value. However, while all of the items are important, some can have a greater impact than others. For example, from an investment perspective, numbers 15, 16, 17, 19 and 23 are critical to fulfilling your responsibilities to provide the participants with a prudent investment program.

Take advantage of the Fiduciary Handbook and Tools provided by Nationwide to better understand how to meet your obligations as a retirement plan fiduciary. Our goal is to provide you with the information that will help you make better decisions and reduce your fiduciary risk.



Investments Retirement Insurance

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Fiduciary Responsibility
Success Quiz



Plan Name: _____

Date: _____

Please check the boxes below if your answer is "yes"

This Fiduciary Success Quiz will assist you in determining the extent to which you are meeting the requirements of the Employee Retirement Income Security Act (ERISA) and your fiduciary obligations. Although this quiz is not an exhaustive list of your fiduciary responsibilities, it does include many ERISA requirements, as well as items considered fiduciary best practices for 401(k) plans and other participant-directed plans.

Plan Document and Design

- 1. Does your plan have an IRS-approved document in place and is the document up-to-date for recent law changes?
Consult your Preferred Plan Administrator (PPA) for more information
- 2. Has your plan been designed with the assistance of a competent professional so it is customized to help meet the needs of your company?
Consult your PPA for more information
- 3. Does your plan have an up-to-date summary plan description (SPD) and have you distributed the SPD to participants at the times required by law?
Consult your PPA for more information
- 4. If you have any workers (including independent contractors or temporary employees) at your company who are not covered under the plan, does your plan document specifically exclude them from participation?
Consult your PPA for more information
- 5. If you, your family or your company have ownership rights in any other businesses, have you received advice concerning the possible consequences to your plan?
Consult your PPA for more information

Plan Fiduciaries

- 6. Are the plan fiduciaries (e.g., plan committee, trustees, officers and owners) aware they are fiduciaries and have they been informed of their responsibilities under ERISA?
See Fiduciary Handbook Chapters 2 and 3
- 7. Have the plan's investment fiduciaries been appointed in accordance with the plan and trust documents?
See Fiduciary Handbook Chapter 2

- 8. Do the plan committee and other fiduciaries meet at least annually?
See Fiduciary Handbook Chapter 2
- 9. Is a due diligence file maintained with the notes, minutes, agenda, background information and supporting documentation for plan and investment decisions made at the fiduciary meetings?
See Fiduciary Handbook Chapter 2
- 10. Have the plan fiduciaries reviewed the costs associated with the plan? Do they understand the services provided by the following various parties and find their value reasonable and appropriate?
 - (a) Product provider
 - (b) Investment professional
 - (c) Mutual fund companies (regarding the underlying mutual fund expenses)
 - (d) Preferred Plan Administrator
 - (e) other advisors and consultants, as utilized*See Fiduciary Handbook Chapter 5, Fiduciary Tools: Model Investment Policy Statement*
- 11. Do the plan fiduciaries ensure the plan collects and invests the employee deferrals as timely as possible?
See Fiduciary Handbook Chapters 1 & 7
- 12. Is your plan covered by a fidelity bond of at least 10% of plan assets (up to \$500,000) and does the bond cover plan fiduciaries as well as other employees or third parties that handle or have access to plan assets?
See Fiduciary Handbook Chapter 7
- 13. Are the plan fiduciaries covered by fiduciary liability insurance to protect business and personal assets?
See Fiduciary Handbook Chapter 7
- 16. Have the plan fiduciaries reviewed the plan's investments in the last 12 months? Was each investment compared to its peer group and the appropriate index for performance over periods of 1,3,5, and 10 years?
See Fiduciary Tools: Model Investment Policy Statement
- 17. Was the review conducted in accordance with the investment policy statement?
See Fiduciary Handbook Chapter 4
- 18. In order to properly review the investment, did your investment provider give you information on the proper peer group and indices, historical performance expenses, volatility and other significant factors? If not, did you accumulate that information for review?
See Fiduciary Tools: Model Investment Policy Statement
- 19. Was the review documented in a plan fiduciary/investment committee due diligence file, including the materials reviewed by the committee and any other notes or analysis used to determine whether to retain, add or remove investment options?
See Fiduciary Tools: Model Investment Policy Statement
- 20. Do you have a procedure (and acted upon it, when necessary) for replacing an investment within the plan, or placing it on "watch," because of its underperformance or other failure to satisfy the investment policy statement or ERISA's requirements?
See Fiduciary Tools: Model Investment Policy Statement
- 21. Does your plan minimize overlap of similar stock holdings among investment options by offering options from more than one investment management company?
See Fiduciary Handbook Chapter 4
- 22. Are you not limited in your ability to select superior funds because your investment provider limits the number of funds from other providers?
See Fiduciary Handbook Chapter 4
- 23. Does your plan provide employee enrollment programs explaining the importance of participation in the plan, investing for retirement, and investment basics?
See Fiduciary Handbook Chapter 4

Plan Investments

- 14. Does your plan have a written investment policy statement?
See Fiduciary Handbook Chapter 4, Fiduciary Tools: Model Investment Policy Statement
- 15. Does your plan have investments in at least the following investment categories so that participants may invest in a "broad range" of funds?
 - (a) Stable value investment, guaranteed investment contract (GIC) or money market fund;
 - (b) U.S. government or corporate bonds;
 - (c) Large-cap U.S. equities;
 - (d) Mid/small-cap U.S. equities;
 - (e) International or global equities*See Fiduciary Handbook Chapter 4*

- 24. Does your plan provide ongoing employee investment education materials and/or programs?
See Fiduciary Handbook Chapter 4
- 25. Does your plan provide lifestyle funds or asset allocation models for employees who lack the investment knowledge to evaluate and select individual investment options and allocate their accounts among them?
See Fiduciary Handbook Chapter 4

ERISA Section 404(c) Requirements

- 26. If your plan intends to obtain the fiduciary protections available under ERISA Section 404(c), does the SPD or a written notice to participants provide the following disclosures:
 - (a) Participants will be able to direct their investments;
 - (b) The plan intends to comply with 404(c) and plan fiduciaries may be relieved of liability for losses; and
 - (c) The name, address and phone number of the 404(c) plan fiduciary responsible for providing information upon request and for receiving and complying with participant investment instructions.*See Fiduciary Handbook Chapter 5, Fiduciary Tools: 404(c) Checklist and Q&A Brochure*
- 27. Have all participants received information about each of the options available under the plan?
See Fiduciary Handbook Chapter 5, Fiduciary Tools: 404(c) Checklist and Q&A Brochure
- 28. Have all participants received or had access to information regarding investment concepts (including explanation of the types of investments, risk/return applicable to each, impact of time horizon on investment decisions, etc.), in the last 12 months?
See Fiduciary Handbook Chapter 5, Fiduciary Tools: 404(c) Checklist and Q&A Brochure
- 29. Does the Form 5500 indicate your plan intends to comply with ERISA 404(c) requirements?
See Fiduciary Handbook Chapter 5, Fiduciary Tools: 404(c) Checklist and Q&A Brochure

Total number of boxes marked:

see reverse side