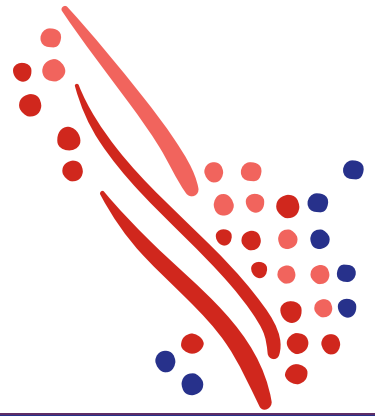


The added benefit of limited fiduciary responsibility



ADP TotalSource® is your co-fiduciary

Adding a 401(k) Plan to your employer benefit package is a great way to attract and retain your most valued employees. But did you know, as a business proprietor or decision maker, you need to be prepared to take on the added responsibility that comes with providing a retirement plan, specifically, fiduciary responsibility?

Who is considered a fiduciary?

As defined by the Employee Retirement Income Security Act of 1974 (ERISA), a "fiduciary" includes an individual who has discretionary control in the administration of the retirement plan.

What happens if a plan fiduciary fails to do the right thing?

The fiduciary is responsible for administering a fair and balanced retirement plan. This means the fiduciary is vulnerable to a reasonable claim that it subjects participants to:

- Account balance losses due to excessive fees
- Insufficient investment monitoring
- Failure to timely transfer employee deferrals into the plan

If a fiduciary fails to perform its responsibilities, they become liable for any harm to the plan, which may result in civil penalties, and in some cases, criminal punishment.

How can I learn more about the benefits of having a co-fiduciary?

Speak with your ADP TotalSource Retirement Services Plan Consultant to learn more about how providing a retirement plan through ADP TotalSource limits your fiduciary responsibilities.

How does ADP TotalSource help make the fiduciary role easier?

Since ADP TotalSource is the Plan Sponsor, Administrator and named co-fiduciary of the ADP TotalSource Retirement Savings Plan (the "Plan"), your business has limited fiduciary responsibility.

As your co-fiduciary, we will:

- Perform all the recordkeeping, annual qualification testing and required IRS plan filings (including Form 5500) on your behalf
- Provide fiduciary oversight of all investment and administrative functions, including fund selection and due diligence
- Manage an integrated payroll to ensure timely deposits of all contributions

So your fiduciary responsibilities are reduced to:

- Understanding the terms of the Plan and its services
- Distributing required notices in a timely manner
- Working with ADP TotalSource to complete annual compliance packages
- Providing updated company information to ADP TotalSource
- Avoiding prohibitive transactions within the Plan

