

3(16) PLAN ADMINISTRATOR BUYER'S GUIDE



HOW TO MAKE A SMART BUYING DECISION IN AN UNDEFINED MARKET

3(16) plan administrator services are an evolving solution in the retirement industry, so they don't have the same clarity as other more established offerings. 3(16) plan administrator definitions are broad across the market—ranging from completely replacing the role of the plan sponsor to simply sending notices on behalf of the plan.

Here are some questions to lead the discussion and help you make a smart buying decision.

»» SERVICE DESCRIPTION

Does the service provider clearly state the responsibilities of each party?

Many service providers may say they take on all the tasks associated with a retirement plan, but it's important to know precisely who is responsible for what. What tasks will they be completing and how? What will you be handling? Does their service agreement explicitly list these? Be sure they provide this information in writing during the sales process.

Goldleaf Partners' service agreement details each task we take responsibility for, including eligibility, transactions, annual processes, communications and notices, the responsibilities of the plan sponsor, and more.

What aspects of eligibility do they handle?

Managing eligibility can be a tedious, time-consuming task. You should ask if potential providers handle all eligibility aspects, a few, or none. Look for a provider who not only determines eligibility, but also manages the distribution of kits and necessary compliance timing.

Goldleaf Partners reviews and determines eligibility, as well as provides kits and notices at the required time (hard copy or electronic).

Do they provide service tiers and custom options?

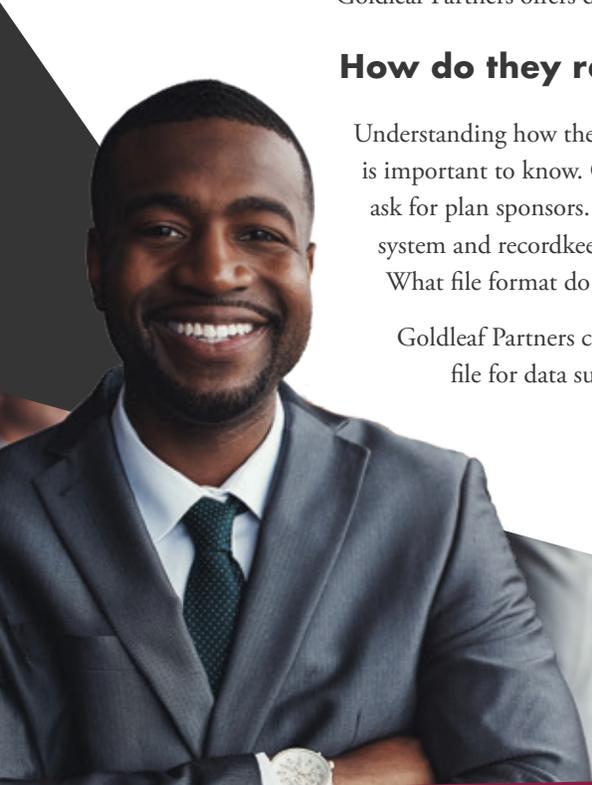
Some providers are very limited on the services they offer and how they are offered. What levels of service do they provide? Every business operates a little differently, so understanding just how customized of an approach the provider can offer is a big insight into the potential partnership.

Goldleaf Partners offers different levels of service using customized solutions for all needs.

How do they receive the necessary data?

Understanding how the provider gets the critical data they need to complete 3(16) administrative tasks is important to know. Quality data is imperative for a 3(16) provider, but this can also be a difficult ask for plan sponsors. How do they work with payroll providers? Do they work with any payroll system and recordkeeper, or do they limit their partners? Do they provide an integrated option? What file format do they require for payroll data?

Goldleaf Partners can work with all payroll providers and recordkeepers, requires an excel or CSV file for data submission, and provides payroll services for complete ease and integration.



»» DATA REVIEW AND TIMING

What happens if the data submitted has an error?

Does the provider check data integrity, or do they just take the information to execute tasks? A common misconception in the retirement industry is that recordkeepers check the data they receive from plan sponsors, but they do not, and errors in payroll data occur often. If the 3(16) plan administrator does provide data integrity checks, how thorough is this process? How often do they perform checks?

Goldleaf Partners provides over 100 data integrity checks for contribution calculations, employee demographics, eligibility, loans, and vesting. We find errors in 75% of payroll data and quickly fix them once they've been found. We also provide all necessary information to the recordkeeper for any system updates on their end, and provide our findings to the client, too.

How does the outsourced 3(16) plan administrator document their actions?

One fiduciary best practice is that plan actions are documented. How does the service provider document and record what they do? Do they provide any reporting to show what they've accomplished, found, or corrected?

Goldleaf Partners' Fiduciary Assistant™ provides reports to clients showing the actions taken and any errors that were corrected.

»» LIABILITY AND CREDIBILITY

Do they take liability for their actions as a 3(16) plan administrator?

Many 3(16) plan administrators are not providing services as the fiduciary. Plan sponsors should carefully review their service agreements and ask questions. The service provider should indicate all items for which they take fiduciary responsibility.

Goldleaf Partners signs the Form 5500 series and takes fiduciary responsibility for our actions.



»» LIABILITY AND CREDIBILITY

Are they able to make decisions for you as experts?

Are they retirement industry experts? What kind of credentials do those running your plan have? Are you confident allowing them to make fiduciary decisions? When this type of trust exists with a 3(16) service provider, it relieves more task load and provides peace of mind knowing the plan is in good hands.

Our team is comprised of ERISA experts and professionals with several industry credentials.

Do they undergo any third-party audits to validate their processes and procedures?

When evaluating the right 3(16) partner, you should ask what their processes and procedures look like. Have these been evaluated by a third-party to validate their accuracy? Unlike any other designation available in the retirement space, an opinion from an independent CPA firm requires rigorous annual testing of internal controls.

Goldleaf Partners undergoes a SOC 1 Type 2 audit every year to ensure our internal controls are optimal.

How will they support you in the event of an audit?

If the IRS or DOL request an audit, having a 3(16) provider who stands by the plan sponsor is incredibly important. We will provide necessary documentation, explain any industry jargon, and stand by our clients throughout the entire process.

Selecting the right 3(16) plan administration partner is as important as it is intensive. If the provider you're evaluating cannot provide clear answers to these questions upfront, you might encounter bigger problems down the line. Give us a call to discuss your business needs. We'll help you find more time for the fun stuff.

