


# SAMPLE SERVICE MODELS BY PLAN SIZE



What to include in your service  
model for small - mid - large - and  
super-sized plans

# SERVICE MODEL STRATEGIES

## OVERVIEW

Regardless of plan size, every retirement plan should have, at a minimum, these basic elements in place in order to demonstrate a sound fiduciary process:

- Goals & objectives clearly defined
- Fiduciary responsibilities defined, understood, and acknowledged in writing
- Written, formalized plan to manage the investments (Investment Policy Statement)
- Periodic investment monitoring documented
- Periodic review & benchmarking of service providers documented (services and fees)
- Participant success program in place
- Plan compliance file centralized
- Proactive service model in place

Depending on the market you're in, you might implement a service model that looks like this:

Small Plan Market (under 5m)	Mid-Market (5-20m)	Large Plan Market (20m+)
<ul style="list-style-type: none"> <li>□ <b>INVESTMENTS:</b> Quarterly Packet emailed, Annual Review Face-2-Face (F2F)</li> <li>□ <b>FIDUCIARY QUARTER:</b> Link emailed to relevant article</li> <li>□ <b>DUE DILIGENCE QUARTER:</b> Include Deloitte's benchmarking study with cover letter, Plan Benchmarking every 3 years</li> <li>□ <b>PARTICIPANT QUARTER:</b> Employee meeting and option to meet with individuals, 404(c)/QDIA Notice Distribution</li> <li>□ <b>COMPLIANCE:</b> Internal Electronic File set up by scanning and saving</li> </ul>	<ul style="list-style-type: none"> <li>□ <b>INVESTMENTS:</b> Email or Mail report w/Quarterly Conference Calls</li> <li>□ <b>FIDUCIARY QUARTER:</b> Fiduciary Document Pack that includes Appointment /Acknowledgement letters, recommended reading form</li> <li>□ <b>DUE DILIGENCE QUARTER:</b> Service Provider checklist and contract review annually, Plan Benchmarking every 3 years</li> <li>□ <b>PARTICIPANT QUARTER:</b> Employee meeting and option to meet with individuals, 404(c)/QDIA Notice Distribution, Annual Participant retirement Readiness Report and targeted mailings</li> <li>□ <b>COMPLIANCE:</b> Memory stick with files given annually or fiduciary binder</li> </ul>	<ul style="list-style-type: none"> <li>□ <b>INVESTMENTS:</b> Email or Mail report w/Quarterly F2F</li> <li>□ <b>FIDUCIARY QUARTER:</b> Fiduciary Document Pack that includes Appointment /Acknowledgement letters, recommended reading form, bylaws, code of ethics, conflict of interest policy</li> <li>□ <b>DUE DILIGENCE QUARTER:</b> Service Provider checklist and contract review annually, Plan Benchmarking every 3 years</li> <li>□ <b>PARTICIPANT QUARTER:</b> Employee meeting and option to meet with individuals, 404(c)/QDIA Notice Distribution, Annual Participant retirement Readiness Report and targeted mailings, Education Policy Statement</li> <li>□ <b>COMPLIANCE:</b> Memory stick with files given annually, optional online access to files</li> </ul>

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## GETTING STARTED

There is no right or wrong or one size fits all service process. Depending on your experience, resources, background, capabilities and market, your service model might be simple or comprehensive, normal or unique. What matters is that you're able to provide services that help plan sponsors and participants run a successful and compliant plan, at a fee that is reasonable. The following pages provide examples of how to structure a service model to accommodate the size market you're in. Feel free to modify the examples to suit your personal process and capabilities/resources.

Begin by defining a minimum level of service, regardless of client size, that helps plan sponsors demonstrate their efforts of managing their plan to a minimum required standard. Such as:

### **QUARTERLY:** *(can be emailed, mailed or presented in person)*

- Investment Performance/Monitoring Report
- Fiduciary Education Piece
- Participant Communication Piece to be copied and distributed or posted

### **ANNUALLY:**

- Investment Performance/Monitoring Report
- Investment Policy Statement review checklist
- Service schedule/calendar
- Participant communications schedule/calendar
- Fiduciary file checklist (identify missing or items to update)

### **NEW CLIENT PACKETS MIGHT INCLUDE:**

- Compliance File Support: List of documents to centralize and organize
- Help Identifying Fiduciaries: Internal Fiduciary Worksheet
- Defining Plan/Investment Goals and Objectives: IPS with check off boxes for goals and objectives and fiduciary acknowledgement signatures
- Fiduciary Education: *Meeting your Fiduciary Responsibilities* by the DOL ([www.dol.gov/ebsa](http://www.dol.gov/ebsa))
- Setting Expectations and Implementing a Proactive Service Model: Service schedule or 12-month calendar *(should vary by plan size)*

On the following pages, you'll find several sample strategies and examples for you to consider. We've identified additional "market sizes", but you'll be able to determine the best way to segment your clients based on your business model. You're welcome to incorporate and/or modify any of the examples that follow to best fit your style and process.

# SERVICE MODEL STRATEGIES

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## EXPANDED SAMPLE SERVICE STRATEGIES

### PLANS UNDER 5 MILLION

- Meet once/year with committee and participants, conference call to discuss performance reports quarterly
  - FIDUCIARY QUARTER: Email/mail link to fiduciary document (Prudent Practices for Investment Stewards, DOL Meeting Your Fiduciary Responsibilities, article on PLANSPONSOR.com, etc.
  - DUE DILIGENCE: Plan Benchmarking every 3 years
  - DUE DILIGENCE: Include Deloitte's benchmarking study with cover letter
  - PARTICIPANT QUARTER: 404(c)/QDIA Notice Distribution
  - PARTICIPANT QUARTER: Employee meeting and option to meet with individuals
  - INVESTMENTS: Quarterly Packet emailed
  - COMPLIANCE: Internal Electronic File set up by scanning and saving

### PLANS BETWEEN 5 AND 20 MILLION

- Meet 4x/year with committee and schedule participant meetings in conjunction with committee/group meetings
  - FIDUCIARY TRAINING: Fiduciary Essentials by fi360 live webinar series
  - FIDUCIARY QUARTER: Fiduciary Document Pack that includes Appointment/Acknowledgement letters, recommended reading form
  - DUE DILIGENCE: Service Provider checklist and contract review annually
  - DUE DILIGENCE: Plan Benchmarking every 3 years
  - DUE DILIGENCE: Include Deloitte's benchmarking study with cover letter
  - PARTICIPANT QUARTER: 404(c)/QDIA Notice Distribution
  - PARTICIPANT QUARTER: Employee meeting and option to meet with individuals
  - PARTICIPANT QUARTER: Annual Participant retirement Readiness Report and targeted mailings
  - INVESTMENTS: Quarterly Conference Calls
  - COMPLIANCE: Memory stick with files given annually or provide Fiduciary Binder

### PLANS BETWEEN 20 AND 50 MILLION

- Meet 4x/year with committee and schedule participant meetings in conjunction with committee/group meetings
  - FIDUCIARY TRAINING: Plan Management Training & Certification Program Workshop
  - FIDUCIARY QUARTER: Fiduciary Document Pack that includes Appointment/Acknowledgement letters, recommended reading form, bylaws, code of ethics, conflict of interest
  - DUE DILIGENCE: Service Provider checklist and contract review annually
  - DUE DILIGENCE: Plan Benchmarking every 3 years
  - DUE DILIGENCE: Include Deloitte's benchmarking study with cover letter
  - PARTICIPANT QUARTER: 404(c)/QDIA Notice Distribution

# SERVICE MODEL STRATEGIES

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- PARTICIPANT QUARTER: Employee meeting and option to meet with individuals
- PARTICIPANT QUARTER: Participant Education Policy Statement
- PARTICIPANT QUARTER: Annual Participant Retirement Readiness Report
- PARTICIPANT QUARTER: Plan Optimization Report (Yr2)
- INVESTMENTS: Quarterly Face-to-Face Review Meetings followed by option to meet with individuals
- COMPLIANCE: Memory stick with files given annually
- COMPLIANCE: Online File Access

## PLANS IN EXCESS OF 50 MILLION

- Meet 4x/year with committee and schedule participant meetings in conjunction with committee/group meetings, more often as needed
  - FIDUCIARY TRAINING: Plan Management Training & Certification Program Workshop
  - FIDUCIARY QUARTER: Fiduciary Document Pack that includes Appointment/Acknowledgement letters, recommended reading form, bylaws, code of ethics, conflict of interest policy
  - DUE DILIGENCE: Service Provider checklist and contract review annually with specific checklists by provider
  - DUE DILIGENCE: Industry Reports annually for comparison
  - DUE DILIGENCE: Plan Benchmarking annually
  - PARTICIPANT QUARTER: 404(c)/QDIA Notice Distribution
  - PARTICIPANT QUARTER: Employee meeting and option to meet with individuals
  - PARTICIPANT QUARTER: Participant Education Policy Statement
  - PARTICIPANT QUARTER: Annual Participant Retirement Readiness Report
  - PARTICIPANT QUARTER: Plan Optimization Report
  - INVESTMENTS: Quarterly Face-to-Face Review Meetings followed by option to meet with individuals
  - INVESTMENTS: Additional Market Commentary included with reports
  - COMPLIANCE: Memory stick with files given annually
  - COMPLIANCE: Online File Access
  - COMPLIANCE: Independent CAFÉ conducted (Yr3)

## GRAPHIC EXAMPLES OF SERVICE MODEL STRATEGIES APPLIED

The following pages show graphic examples of applying a consistent service model that covers all key plan management issues and can be implemented across the board for every client receiving the same value-added topic every quarter. You are welcome to modify and integrate the graphics that follow to fit your business model. (included in a separate file)

# SERVICE MODEL STRATEGIES

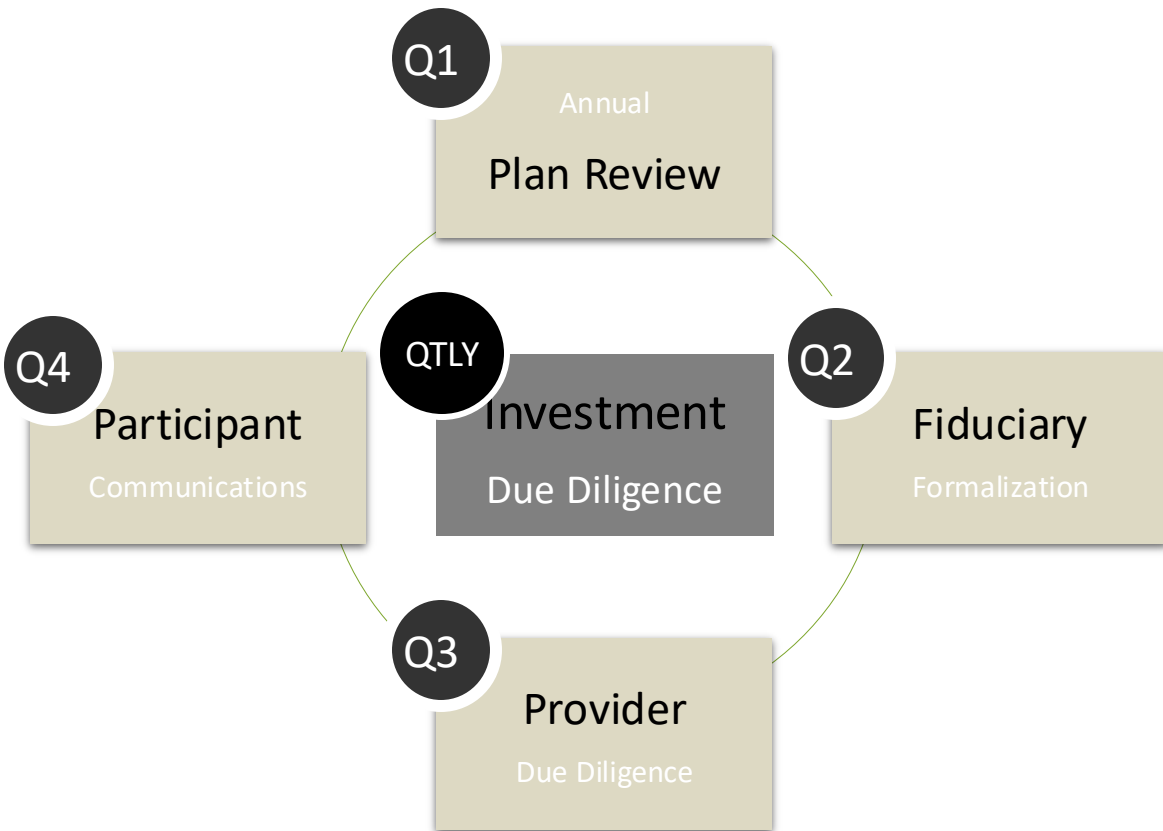
## KEY ITEMS TO ADDRESS APPLIED TO VARIOUS MARKET SEGMENTS

	<b>SMALL</b> <5	<b>MEDIUM</b> 5-20	<b>LARGE</b> 20-50	<b>SUPER-SIZE</b> 50+
Defining Plan Success	Goals & Objectives In IPS	Goals & Objectives Worksheet	Goals & Objectives Worksheet	Goals & Objectives Worksheet
Fiduciary Roles & Functions	Internal Fiduciary Worksheet DOL Fiduciary Responsibilities Guide	Internal Fiduciary Worksheet fi360 Fiduciary Essentials Webinars	Fiduciary Training Workshop Committee Formalization Docs	Formal Training w/Speaker Committee Formalization Docs
Investment Selection & Monitoring	SAMPLE IPS Quarterly Reports Emailed	Custom IPS Quarterly Reports Emailed w/Conference Call	Custom IPS Quarterly Reports Reviewed in Person	Custom IPS Quarterly Reports Reviewed in Person w/additional Market Commentary
Provider Due Diligence	Agreements On File Deloitte's Survey emailed annually Benchmarking (3yr)	Agreements On File Service Provider Review Annually Benchmarking (3yr)	Agreements On File Service Provider Review Annually Benchmarking (3yr)	Agreements On File Specific Provider Review Annually Industry Reports Benchmarking (3yr)
Employee Education	Employee Education Calendar 404(c) Notice Annual Group/Individual Meetings	Employee Ed. Calendar 404(c) Notice Annual Group/Ind. Meetings Annual Readiness Report	Employee Ed. Calendar 404(c) Notice Annual Group/Ind. Meetings Annual Readiness Report Ed. Policy Statement Plan Optimization Rep.(yr2)	Employee Ed. Calendar 404(c) Notice Annual Group/Ind. Meetings Annual Readiness Report Ed. Policy Statement Plan Optimization Rep.(yr2)
Plan Administration	Admin Calendar Plan Doc File Set-up Internally Annual Plan Review	Admin Calendar Plan Doc File Set-up w/Binder or Flash Drive Annual Plan Review	Admin Calendar Plan Doc File Set-up w/Binder and Online File Access Annual Plan Review	Admin Calendar Plan Doc File Set-up w/Binder and Online File Access Annual Plan Review Independent CAFÉ (3yr)

# SERVICE MODEL STRATEGIES

## IMPLEMENTING AND ARTICULATING A QUARTERLY SERVICE PROCESS

To simplify and scale your business, you should consider implementing a service strategy that puts all clients on a quarterly service schedule (regardless of plan size). You should add one value-added fiduciary component to your service model each quarter and delivery to your clients so over the course of the year, all key issues are addressed. When you cover the same quarterly fiduciary topic with all clients, you create efficiencies and reduce the possibility that gaps can be found in some of your plans.



# SERVICE MODEL STRATEGIES

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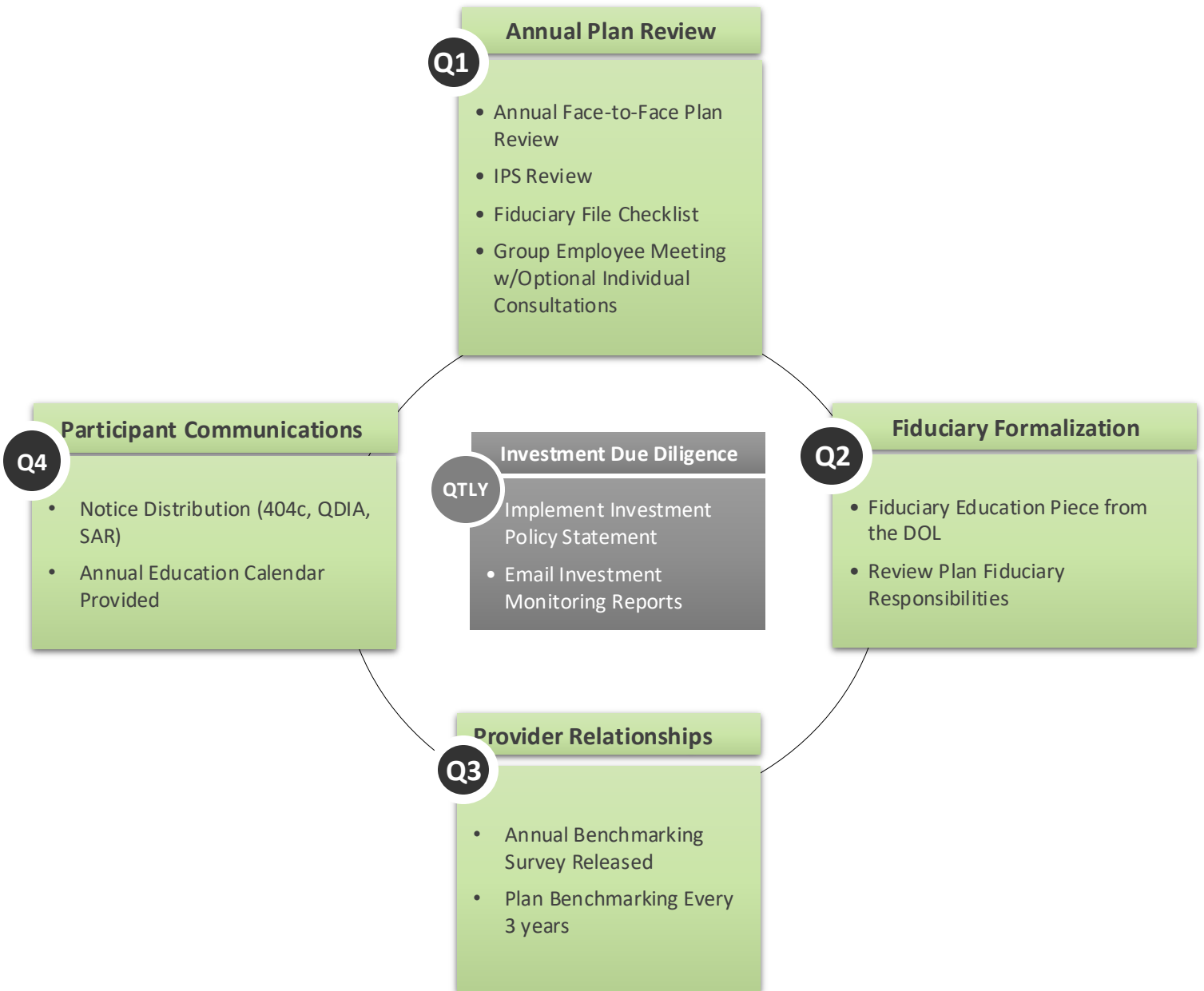
EXAMPLE OF PLAN SERVICE OVERVIEW TO INCLUDE IN ANNUAL REVIEW PACKET OR POINT OF SALE MATERIAL





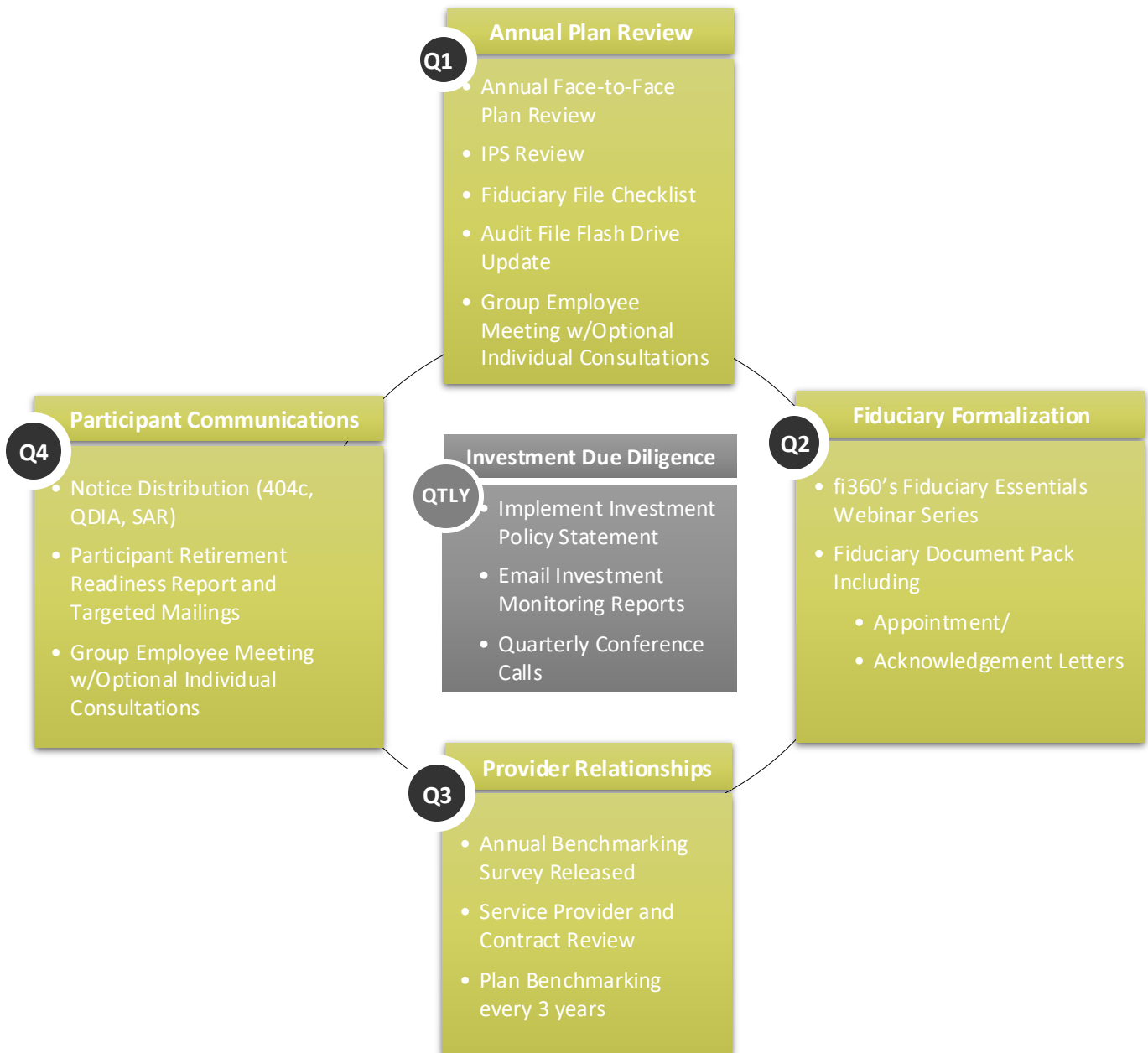
# SERVICE MODEL STRATEGIES

## SERVICE MODEL APPLIED TO QUARTERLY SCHEDULE FOR PLANS UNDER 5 MILLION



# SERVICE MODEL STRATEGIES

## SERVICE MODEL APPLIED TO QUARTERLY SCHEDULE FOR PLANS 5-20 MILLION



# SERVICE MODEL STRATEGIES

## SERVICE MODEL APPLIED TO QUARTERLY SCHEDULE FOR PLANS 10-50 MILLION



# SERVICE MODEL STRATEGIES

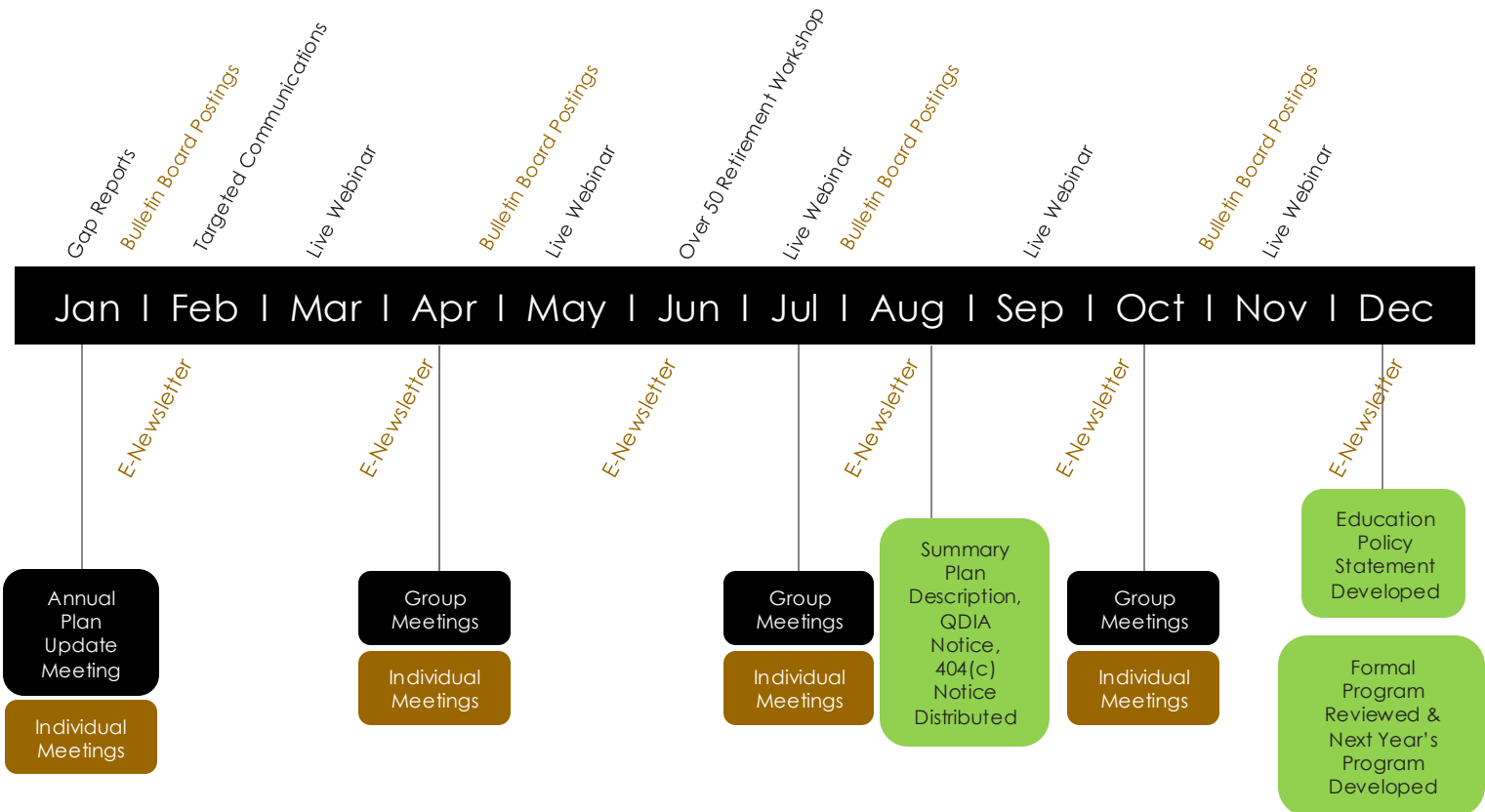
## SERVICE MODEL APPLIED TO QUARTERLY SCHEDULE FOR PLANS OVER 50 MILLION



# SERVICE MODEL STRATEGIES

## SAMPLE PARTICIPANT SUCCESS TIMELINE

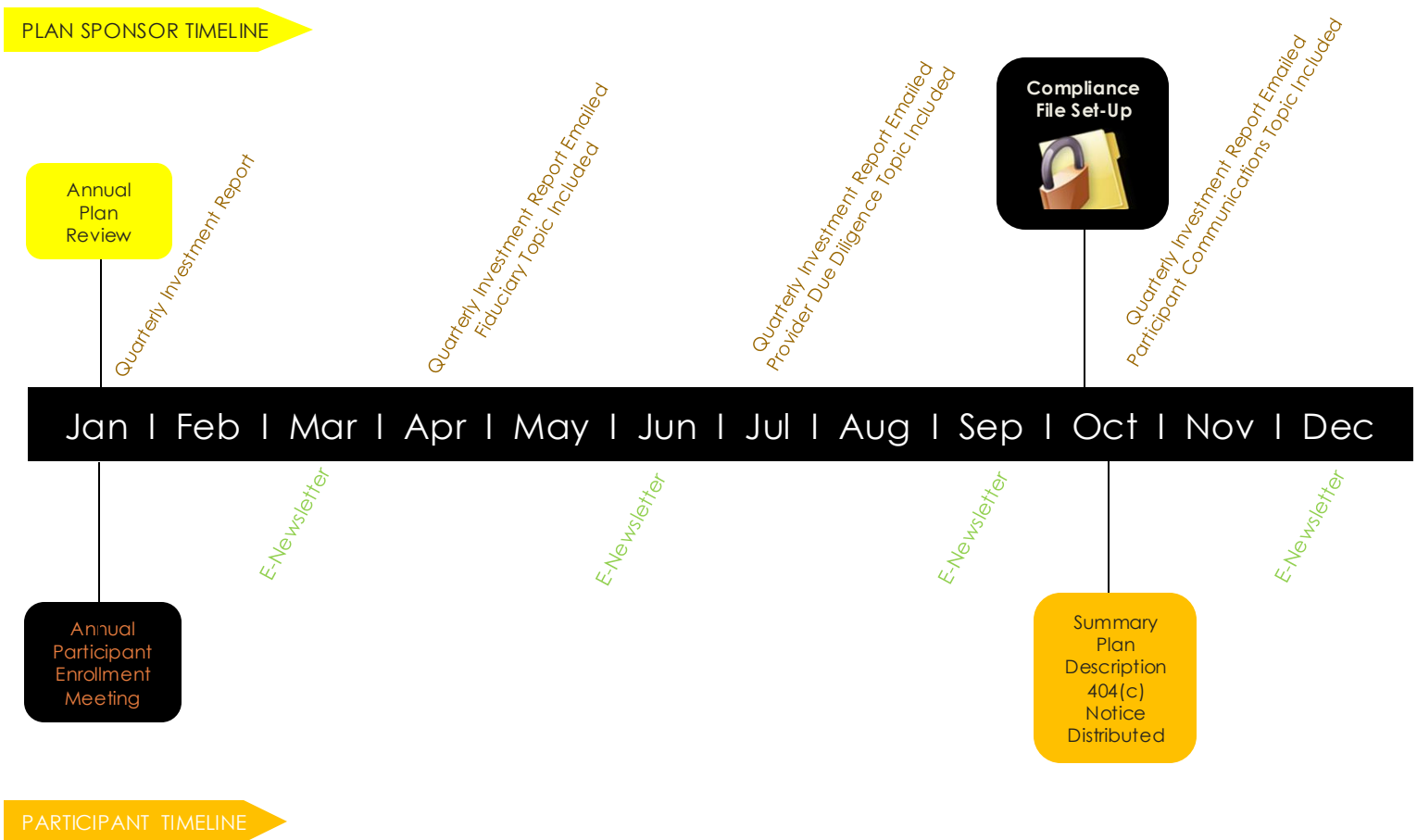
(Mid-Large)



# SERVICE MODEL STRATEGIES

## SAMPLE PARTICIPANT AND PLAN SUCCESS TIMELINE

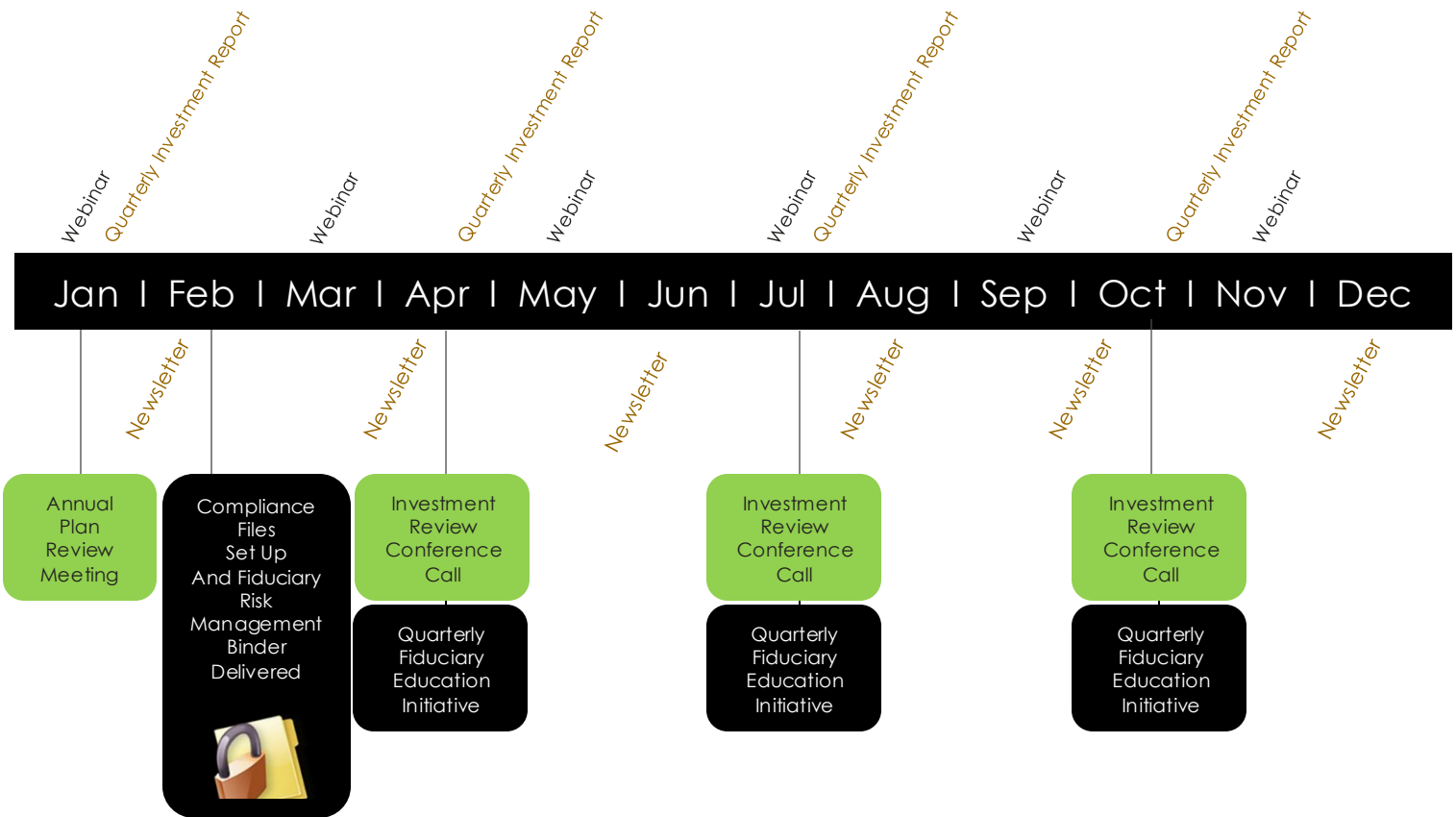
(Small)



# SERVICE MODEL STRATEGIES

## SAMPLE PLAN SUCCESS TIMELINE

(Medium)



# SERVICE MODEL STRATEGIES

## SAMPLE PLAN SUCCESS TIMELINE

(Large & Supersize)

