Service Providers to the Plan

Not all plans have the same service providers or companies who provide said services to the plan.

In fact, few service providers are required to run a plan. According to the DOL, the only required service providers include: (1) a recordkeeping system to track the flow of monies going to and from the retirement plan and (2) a trust fund to hold the plan's assets. In many cases, the same service provider selected to be the recordkeeping system is likely to be the trust company. This section will outline several service providers that the plan may use, but are not all required to use.

Some are more common depending on the needs of the plan, its participants, and the plan sponsor. Plan sponsors should start by determining what level of expertise they possess to manage the retirement plan. If they have very little expertise, a plan sponsor will need to utilize many service providers. If the plan sponsor is already proficient in most aspects of running the plan, additional service providers may not be needed. Common service providers to a retirement plan include but are not limited to:

Recordkeeper	Tracks the assets in the retirement plan and administers the plan in accordance with the plan document.
Custodian/Trust	Holds and provides safekeeping of the plan assets.
Third-party Administrator (TPA)	Manages day-to-day aspects of the retirement plan such as loans, hardships, and notices.
Investment Advisor or Investment Manager	Provides investment advice and may assist with day-to-day coordination of the plan.
Attorney	Ensures legal and regulatory compliance and assists with governance.
Auditor	Protects the plan's legal integrity and helps meet the plan's annual audit requirement by conducting the audit to attach to Form 5500.
Education/Financial Wellness Provider	Provides non-fiduciary services that range a spectrum to assist employees with meeting their needs to increase savings and prepare for retirement including budgeting, paying down debt, etc.

This is not an exhaustive list of service providers nor their associated services, and it is important to understand the array of support available for plan sponsors to carry out their responsibilities. When paid for by the plan, it is important to keep in mind that service providers can only be for the benefit of the participants and beneficiaries. Service providers cannot be hired to benefit the employer or for some other benefit beyond the participants and beneficiaries.[1]

[1] This topic is beyond the scope of this plan sponsor guide. However, plan sponsors should be aware that their obligation is exclusively for the benefit of the plan participants and beneficiaries. When hiring a service provider that does not advance the interests of the participants and beneficiaries, plan sponsors should ensure it is not paid for from plan assets and should consider the nature of the engagement. For example, some purported financial wellness programs are not related to the retirement plan and instead advances the interests of the employer.