



## A 3(38) FIDUCIARY

ERISA requires plan sponsors to select and monitor investments in the same manner as those familiar with generally accepted investment theories and prevailing investment industry practices. Where committee members lack the needed technical knowledge to properly select plan investments, they are required to hire knowledgeable advisors.

### What is a 3(38)?

The 3(38) effectively stands in the shoes of the plan sponsor, making all investment related decisions and thus assuming the bulk of related fiduciary liability. In other words, the 3(38) develops a prudent process to invest plan assets with the exclusive purpose of providing benefits to participants. The sponsor's only effective remaining fiduciary liability is related to the selection and monitoring of service providers.

### Key components of the 3(38) advisor's role include the following:

- developing an investment policy statement
- creating an investment option menu consistent with investment policy statement
- monitoring the investments on a periodic basis

A 3(38) serves as the plan fiduciary/investment manager. America's Best 401k is a strategic partner of Creative Planning, Inc., a specialized RIA that helps to legally reduce fiduciary risk for the plan sponsor as much as the law permits.

This is quite different than plans sold by brokers, generally present at banks, brokerages, insurance companies, and national payroll companies, who cannot provide fiduciary status and the plan sponsor has no risk reduction. A 3(38) is your best option as a plan sponsor.