



Fiduciary Awareness by 403(b) Plan Sponsors

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Overview

PSCA's 2016 403(b) Snapshot Survey reflects responses from 281 not-for-profit organizations that currently sponsor a 403(b) plan. The survey was conducted online in October/November 2016. Please note that the figures in the survey do not always add up to 100.0 percent due to rounding. Please direct questions or comments to research@psca.org or 540.323.7828.

Acknowledgements

The Plan Sponsor Council of America gratefully acknowledges the assistance provided by the following people and organizations during the production of this survey.

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Thank you to The Principal Financial Group® for sponsoring this survey.



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Demographics

The data reflects responses from 281 403(b) plan sponsors of varying sizes and industries.

Table 1: Respondent Demographics by Organization Size and ERISA Status

ERISA Status	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
ERISA	64.5%	80.5%	88.3%	65.0%	74.6%
Non-ERISA	11.8%	18.4%	10.0%	32.5%	16.4%
Unsure	23.7%	1.1%	1.7%	2.5%	8.9%
All Plans	33.1%	31.3%	21.4%	14.2%	100.0%

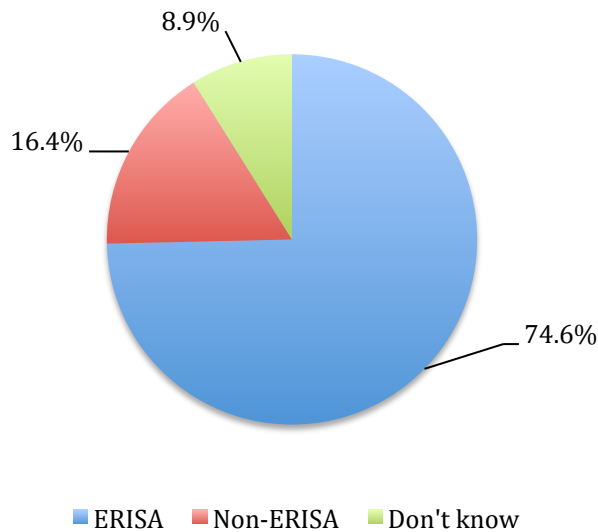


Table 2: Respondents by Industry Type

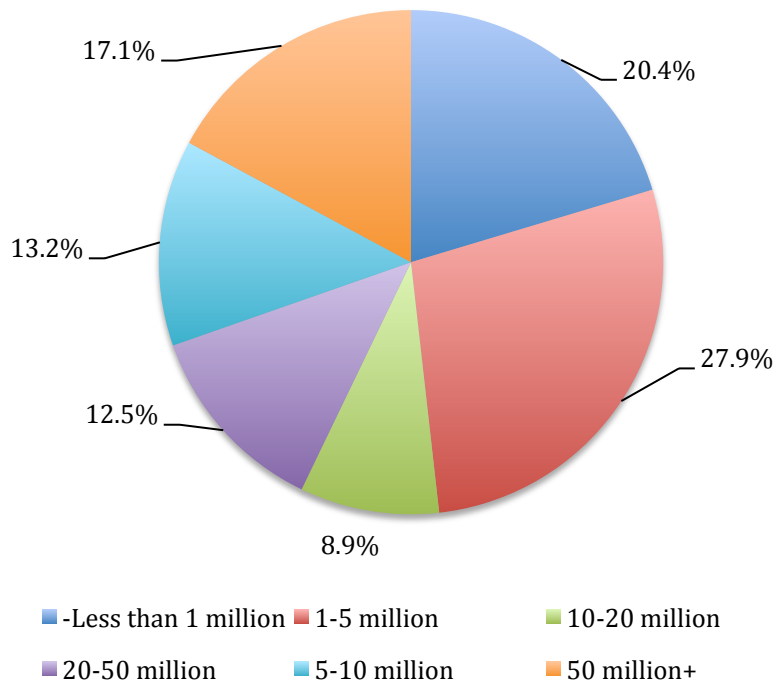
Industry	# of Plans	Percentage of Plans
Arts/Cultural	13	4.6%
Association/Foundation	20	7.1%
Healthcare (other than hospitals)	22	7.8%
Higher Education (including faith-based)	43	15.3%
Hospitals & Hospital Systems (including faith-based)	11	3.9%
K-12 Education	67	23.8%
Library/Museum	13	4.6%
Other Education	16	5.7%
Religious Intuition (i.e. Churches)	8	2.8%
Research, Science, or Environmental	20	7.1%
Social/Community Services	35	12.5%
Other	13	4.6%
Total	281	100.0%

Table 3: Number of Plan Providers Used, by Plan Size

Number of Plan Providers	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
1	89.8%	75.0%	52.5%	91.3%	81.8%
2	6.8%	15.0%	32.5%	4.3%	11.4%
3	3.4%	5.0%	2.5%	4.3%	3.9%
4	0.0%	1.7%	2.5%	0.0%	0.7%
5	0.0%	1.7%	5.0%	0.0%	1.1%
More than 5	0.0%	1.7%	5.0%	0.0%	1.1%
Total	100.0%	100.1%	100.0%	99.9%	100.0%

Table 4: Approximate Plan Asset Size of Respondents

	All Plans
Less than 1 million	20.4%
1-5 million	27.9%
5-10 million	8.9%
10-20 million	12.5%
20-50 million	13.2%
50 million+	17.1%
Total	100.0%



Fiduciary Responsibilities

Table 5. Percentage of Respondents Who View Themselves or Their Organization’s Investment Committee as a Plan Fiduciary

ERISA Status	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
ERISA Plans	66.7%	84.3%	86.8%	92.3%	80.9%
Non-ERISA Plans	*	68.8%	*	84.6%	71.7%
All Plans	62.4%	81.8%	81.7%	90.0%	76.5%

* Sample size too small to calculate.

Table 6. Entities Other Than the Plan Sponsor that Act as Plan Fiduciaries

Entity	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Provider	38.0%	37.2%	45.8%	37.5%	39.4%
Plan Advisor	23.9%	55.8%	59.3%	72.5%	48.4%
None	26.1%	18.6%	8.5%	15.0%	18.4%
Unsure	20.7%	8.1%	10.2%	5.0%	12.3%

Table 7. Percentage of Respondents Aware of the Recently Released DOL Conflict of Interest Rule (Also Known as the Fiduciary Rule)

ERISA Status	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
ERISA Plans	55.0%	75.7%	84.9%	92.3%	74.2%
Non-ERISA Plans	*	68.8%	*	76.9%	67.4%
All Plans	48.9%	75.0%	83.1%	87.5%	70.0%

* Sample size too small to calculate.

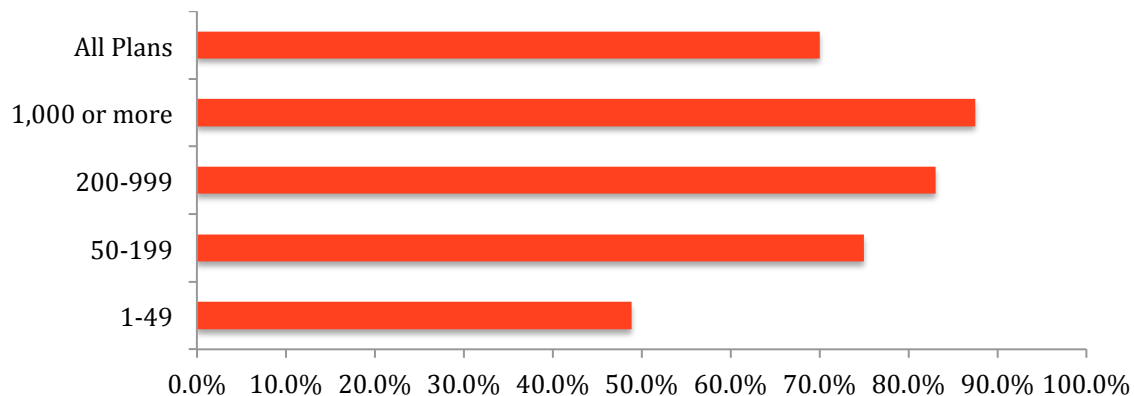


Table 8. Changes Made or Considering in Light of the new DOL rule

Change Made	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Changing the investment line-up.	10.4%	24.7%	19.6%	21.6%	18.8%
Changing from a non-fiduciary advisor to a fiduciary advisor.	3.9%	10.6%	5.4%	2.7%	6.3%
Hiring an advisor to act as a fiduciary.	10.4%	24.7%	19.6%	10.8%	17.3%
Reducing the number of plan advisors / providers on the plan.	0.0%	1.2%	1.8%	8.1%	2.0%
Re-evaluating the plan's governance structure.	13.0%	10.6%	21.4%	18.9%	14.9%
Other	1.3%	1.2%	0.0%	10.8%	2.4%
None	67.5%	56.5%	57.1%	51.4%	59.2%

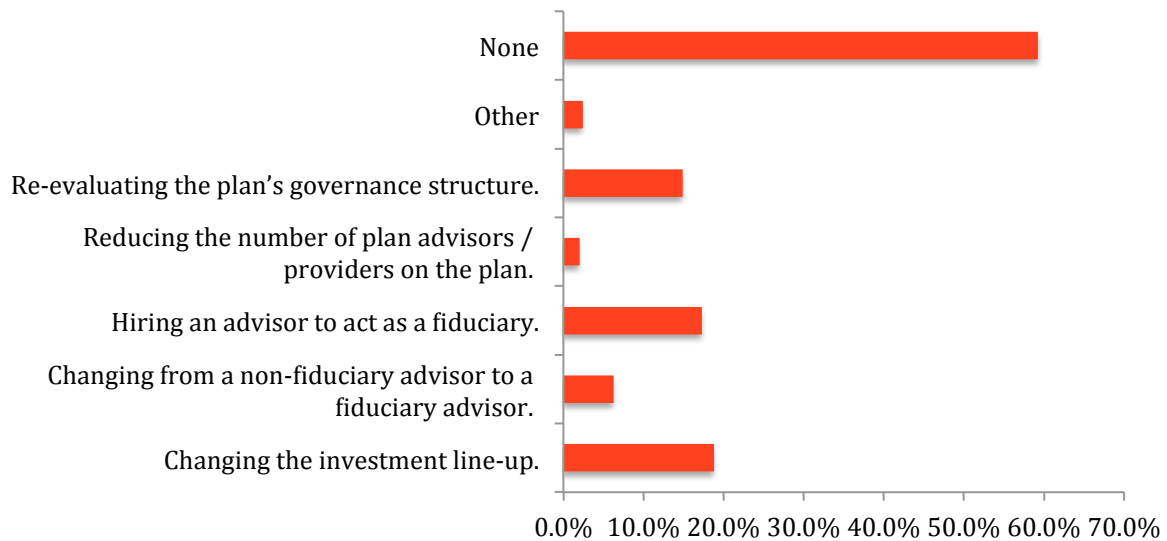


Table 9. Entities Relied on in Making Investment Line-up Decisions

Entity	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
No one.	10.5%	1.8%	7.7%	27.8%	13.4%
The plan's recordkeeper.	9.3%	10.5%	2.6%	26.6%	13.8%
A fiduciary advisor though the plan recordkeeper.	24.4%	14.0%	2.6%	20.3%	17.6%
The investment committee in conjunction with the plan advisor or provider.	52.3%	73.7%	84.6%	21.5%	52.5%
Other	3.5%	0.0%	2.6%	3.8%	2.7%
Total	100.0%	100.0%	100.1%	100.0%	100.0%

Table 10. Percentage of Organizations Offering, or Planning to Offer, Investment Decision Assistance to Participants

Availability	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Currently Offer	28.3%	60.9%	76.7%	80.0%	56.3%
Planning to offer within the next year.	9.8%	12.6%	6.7%	5.0%	9.3%
Don't offer and no plans to offer.	62.0%	26.4%	16.7%	15.0%	34.4%
Total	100.1%	99.9%	100.1%	100.0%	100.0%

Appendix I – Questionnaire

The following questions were posed to respondents online.

1. Do you view yourself, or your organization’s investment committee (if applicable), as a Fiduciary on your organization’s 403(b) plan?
Yes No Unsure
2. What other entities act as fiduciaries on your organization’s 403(b) plan?
Plan Provider
Plan Advisor
None
Other: _____
3. Are you aware of the recently released DOL Conflict of Interest Rule (also known as the Fiduciary rule?)
Yes No
4. What changes have you made, or are you considering making, to the plan in light of the new DOL rule? Check all that apply.
-Changing the investment line-up.
-Changing from a non-fiduciary advisor to a fiduciary advisor.
-Hiring an advisor to act as a fiduciary.
-Reducing the number of plan advisors/providers on the plan.
-Re-evaluating the plan’s governance structure.
5. Who does the organization rely on to make decisions about the plan’s investment line-up?
-No one. The organization’s investment committee does all of the research, analysis, and makes the decision.
-The plan’s recordkeeper.
-A fiduciary advisor though the plan recordkeeper.
-The investment committee in conjunction with the plan advisor or provider.
6. Do you currently, or do you plan to, offer your participants help with deciding what plan investments to invest in, either through an online advice option, or one-on-one counseling with an investment advisor (phone or in-person).
-Currently offer
-Planning to offer within the next year.
-Don’t offer and no plans to offer.

Demographic Questions

1. Approximately how many employees are eligible to participate in your organization’s 403(b) plan?
1-49
50-199
200-999
1000+

2. What is the approximate total value of your organization's 403(b) plan?
 - Less than 1 million
 - 1-5 million
 - 5-10 million
 - 10-20 million
 - 20-50 million
 - 50 million+

3. What is the ERISA status of the organization?
 - ERISA
 - Non-ERISA
 - Don't know

4. How many plan providers do you use?
 - One
 - Two
 - Three
 - Four
 - Five
 - More than five