



Fiduciary Responsibilities in 403(b) Plans

Copyright © 2015 by the Plan Sponsor Council of America (PSCA)

200 S. Wacker Drive, Suite 3100
Chicago, IL 60606
312.419.1863
research@psca.org
<http://www.pzca.org>



Overview

PSCA's 2015 403(b) Snapshot Survey reflects responses from 426 not-for-profit organizations that currently sponsor a 403(b) plan. The survey was conducted online in October/November 2015. 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.

All Survey Participants

PSCA's Non-Profit Research Committee:

John Allen, Human Resources Director, eQHealth Solutions, Inc.

Paul Ainslie, Vice President for Strategic Initiatives & Product Development, CBIS

Grace Basile, Vice President, Marketing, Transamerica Retirement Solutions

Angie Bottema, HR Manager, National Marrow Donor Program

Elizabeth Brown, Director, Market Research & Analysis, VALIC

Silvia Frank, Retirement Program Manager, CHE Trinity, Inc., Livonia Michigan

Aaron Friedman, National Practice Leader, Tax-Exempt, The Principal Financial Group

Mary Kay Leydon, VP, Head of Business to Business Marketing, Lincoln Financial

John Lewison, Director of Human Resources, MDRC

Sherri L. Malless, Field VP, Client Relationship Services, AUL Retirement Services

Nancy Murray, Assistant Vice President, MetLife

Lucy Sagansky, Vice President, Product Management, Workplace Investing, Fidelity Investments

Linda Schwartz, Senior Director – Strategic Knowledge Management, TIAA-CREF

James Strodel, Senior Vice President, Financial Advisor, CAPTRUST Financial Advisors

Dmitry Yarushkin, Research Analyst, The Principal Financial Group and Assistant Professor of Business Administration, Grand View University

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



Table of Contents

Demographics

Table 1: Respondent Demographics by Organization Size and ERISA Status

Table 2: Respondents by Industry Type

Fiduciary Responsibilities

Table 3: Which of the following is being done for your 403(b) plan and who is doing it?

- A. Review and Evaluation of Investment Funds
- B. Review and Evaluate Fees
- C. Create/Have an Investment Policy Statement
- D. Monitor IPS for Compliance
- E. Conduct Periodic RFPs
- F. Ensure Compliance with Regulations (Non-discrimination Testing)
- G. Ensure Compliance with Regulations (Non-discrimination Testing) (ERISA Plans Only)

Table 4: Percentage of Plans that Have an Oversight Structure for Ensuring Adherence to the Plan Document

Benchmarking Investments

Table 5: Items Used to Benchmark Funds

Table 6: Number of Investment Funds Replaced in the Last Two Years

Table 7: Percentage of Plans that Offer Investment Funds that use Revenue Sharing

Table 8: Which of the following is provided to participants and who is doing it?

- A. List of funds and fund descriptions
- B. Help Participants Decide What Funds to Invest in
- C. Help Participants Decide How Much to Invest in Each Fund
- D. Provide Investment Modeling Tools
- E. Provide Online Investment Selection Help

Investment Advice and Education

Table 9: Percentage of Plans that Make a Financial Planner Available to Participants

Table 10: Percentage of Plans that Make a Financial Advice Available to Participants

Appendix I – Data by Industry

Appendix II – Questionnaire

Demographics

The data reflects responses from 426 403(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	79.1%	86.3%	78.8%	56.5%	77.5%
Non-ERISA	9.5%	10.5%	20.0%	42.0%	17.1%
Unsure	11.5%	3.2%	1.2%	1.4%	5.4%
All Plans	34.7%	29.1%	20.0%	16.2%	100.0%

Table 2: Respondents by Industry Type

Industry	# of Plans	Percentage of Plans
Arts/Cultural/Library	42	9.9%
Association/Foundation	32	7.5%
Healthcare (other than hospitals)	33	7.7%
Higher Education (including faith-based)	91	21.4%
Hospitals & Hospital Systems (including faith-based)	22	5.2%
K-12 Education	74	17.4%
Other Education	18	4.2%
Religious Intuition (i.e. Churches)	16	3.8%
Research, Science, or Environmental	28	6.6%
Social/Community Services	56	13.1%
Other	14	3.3%
Total	426	100.0%

Fiduciary Responsibilities

We asked plan sponsors if a variety of different fiduciary responsibilities were being done and if so, by whom. 60 percent of respondents indicated that they are reviewing the investment funds, though only 40 percent of small organizations are reviewing the funds themselves. Thirty percent state that their plan provider is reviewing the funds, and 8.7 percent state that no one is reviewing the funds, including 16.3 percent of small organizations. Only 40 percent of organizations have an investment consultant reviewing the plan investments, including only 18.4 percent of small organizations.

This pattern is similar when looking at fee evaluation. 70 percent of plans indicate that they are reviewing fees themselves, with 20.6 percent indicating that their plan provider is responsible for reviewing their own fees. 9.2 percent indicate that no one is reviewing fees, including 15.1 percent of small organizations.

About half of all plan sponsors have created an investment policy statement (IPS), including only 35.9 percent of small plans. One-fourth have an IPS created by a consultant, and one-fourth do not have one (including nearly 40 percent of small plans.)

40 percent of plans conduct periodic RFPs to ensure fees are reasonable, and 40 percent of plans do not. One-fourth have an investment consultant conduct the RFP. Half of plans are ensuring compliance with regulations themselves, one-third state their plan provider handles this, one-fourth have a TPA do it, and 4.3 percent of ERISA plans state that no-one does. Nearly three-fourths of plans have an oversight structure in place for ensuring adherence to the plan document.

Table 3. Which of the following is being done for your 403(b) plan and who is doing it?

A. Review and Evaluation of Investment Funds

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	40.1%	69.4%	68.2%	75.4%	60.0%
Plan Provider	34.7%	29.8%	15.3%	30.4%	30.1%
Investment Consultant	18.4%	45.2%	38.7%	63.8%	41.2%
TPA	9.5%	8.1%	4.8%	2.9%	7.5%
Attorney	0.0%	0.8%	0.8%	0.0%	0.5%
No One	16.3%	5.6%	3.2%	2.9%	8.7%
Other	0.0%	0.8%	0.0%	0.0%	0.2%

B. Review and Evaluate Fees

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	58.2%	76.6%	72.9%	75.0%	69.3%
Plan Provider	21.9%	19.4%	17.6%	23.5%	20.6%
Investment Consultant	14.4%	42.7%	54.1%	61.8%	38.3%
TPA	7.5%	5.6%	5.9%	4.4%	6.1%
Attorney	0.0%	0.0%	2.4%	0.0%	0.5%
No One	15.1%	8.1%	4.7%	4.4%	9.2%
Other	0.0%	0.0%	1.2%	1.5%	0.5%

C. Create/Have an Investment Policy Statement

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	35.9%	54.9%	66.7%	76.8%	54.3%
Plan Provider	17.2%	15.6%	16.7%	14.5%	16.2%
Investment Consultant	8.3%	31.1%	39.3%	42.0%	26.7%
TPA	9.7%	6.6%	4.8%	2.9%	6.7%
Attorney	1.4%	2.5%	8.3%	20.3%	6.2%
No One	37.9%	27.0%	14.3%	7.2%	25.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

D. Monitor IPS for Compliance

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	38.1%	58.3%	65.1%	78.3%	55.8%
Plan Provider	20.4%	24.2%	14.5%	20.3%	20.3%
Investment Consultant	4.1%	35.0%	51.8%	43.5%	28.9%
TPA	12.2%	10.8%	13.3%	5.8%	11.0%
Attorney	0.7%	1.7%	2.4%	8.7%	2.6%
No One	32.7%	17.5%	14.5%	7.2%	20.5%
Other	0.0%	0.8%	0.0%	0.0%	0.2%

E. Conduct Periodic RFPs

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	21.0%	45.9%	53.7%	60.6%	41.2%
Plan Provider	9.1%	5.7%	2.4%	4.5%	6.1%
Investment Consultant	4.2%	27.9%	39.0%	45.5%	24.7%
TPA	4.2%	4.9%	2.4%	1.5%	3.6%
Attorney	0.0%	0.8%	1.2%	1.5%	0.7%
No One	63.6%	39.3%	25.6%	22.7%	42.4%
Other	0.0%	1.6%	1.2%	0.0%	0.7%

F. Ensure Compliance with Regulations (Non-discrimination Testing)

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	42.2%	51.2%	59.0%	68.1%	52.4%
Plan Provider	32.0%	34.1%	31.3%	39.1%	33.6%
Investment Consultant	3.4%	16.3%	21.7%	21.7%	13.7%
TPA	23.8%	26.8%	27.7%	17.4%	24.4%
Attorney	0.7%	3.3%	6.0%	17.4%	5.2%
No One	12.2%	4.9%	7.2%	7.2%	8.3%
Other	0.7%	3.3%	4.8%	1.4%	2.4%

G. Ensure Compliance with Regulations (Non-discrimination Testing) (ERISA Plans Only)

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	44.4%	57.5%	66.2%	77.5%	57.0%
Plan Provider	31.6%	34.9%	30.8%	40.0%	33.5%
Investment Consultant	3.4%	17.9%	21.5%	15.0%	13.1%
TPA	25.6%	26.4%	30.8%	20.0%	26.2%
Attorney	0.9%	3.8%	4.6%	12.5%	4.0%
No One	9.4%	1.9%	3.1%	0.0%	4.6%
Other	0.9%	3.8%	6.2%	2.5%	3.0%

Table 4. Percentage of Plans that Have an Oversight Structure for Ensuring Adherence to the Plan Document

Percentage	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
ERISA Plans	53.4%	84.9%	86.6%	84.6%	74.1%
Non-ERISA Plans	57.1%	69.2%	76.5%	77.8%	71.8%
All Plans	51.7%	81.3%	84.7%	82.1%	71.8%

Benchmarking Investments

The majority of plans – 85.5 percent – indicate that they benchmark their funds. Plans are mostly looking at performance in fund benchmarking (83.7 percent), but also looking at fees (68.7). More than forty percent of plans have not replaced any funds in the last two years, including two-thirds of small organizations. Twenty percent of plans indicate that they offer funds that use revenue sharing, including only 4 percent of small plans.

Table 5. Items Used to Benchmark Funds

Benchmark	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Performance	75.4%	81.3%	91.5%	92.6%	83.7%
Fees	52.6%	67.5%	80.5%	83.8%	68.7%
Risk	57.9%	62.6%	65.9%	76.5%	64.3%
Style Drift	11.4%	22.8%	36.6%	51.5%	27.4%
Other	0.0%	1.6%	2.4%	2.9%	1.6%
None	21.9%	16.3%	8.5%	5.9%	14.5%

Table 6. Number of Investment Funds Replaced in the Last Two Years

# of Funds	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
One	4.2%	2.4%	8.3%	4.4%	4.5%
Two-Five	21.5%	43.1%	40.5%	39.7%	34.6%
Six-Ten	4.9%	7.3%	14.3%	11.8%	8.6%
More than Ten	2.8%	10.6%	8.3%	19.1%	8.8%
None	66.7%	36.6%	28.6%	25.0%	43.4%

Table 7. Percentage of Plans that Offer Investment Funds that use Revenue Sharing

Percentage	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Yes	4.1%	10.5%	33.7%	64.7%	21.5%
No	41.2%	32.3%	22.9%	16.2%	31.0%
Unsure	54.7%	57.3%	43.4%	19.1%	47.5%

Investment Advice and Education

403(b) Plan Sponsors rely heavily on their providers to provide investment information to participants. 40 percent of sponsors provide a list of funds and descriptions to participants and 73 percent state this information comes from the plan provider. More than half of sponsors indicate that their plan provider helps participants make their investment decisions, and 30 percent state an investment consultant does this. Half of plans indicate that they make a financial planner available to participants, and half indicate that they provide investment advice to participants.

Table 8. Which of the following is provided to participants and who is doing it?

A. List of funds and fund descriptions

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	34.2%	46.0%	51.8%	36.8%	41.6%
Plan Provider	68.5%	76.6%	63.5%	88.2%	73.0%
Investment Consultant	7.5%	8.9%	12.9%	8.8%	9.2%
TPA	6.8%	9.7%	12.9%	11.8%	9.7%
No One	2.1%	0.8%	0.0%	1.5%	1.2%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

B. Help Participants Decide What Funds to Invest in

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	3.4%	8.9%	5.9%	4.4%	5.7%
Plan Provider	57.2%	57.3%	56.5%	73.5%	59.7%
Investment Consultant	19.3%	38.7%	43.5%	26.5%	31.0%
TPA	6.9%	8.1%	12.9%	7.4%	8.5%
No One	17.9%	11.3%	5.9%	5.9%	11.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

C. Help Participants Decide How Much to Invest in Each Fund

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	4.9%	5.6%	8.2%	5.9%	5.9%
Plan Provider	51.4%	50.0%	55.3%	67.6%	54.4%
Investment Consultant	17.4%	37.1%	43.5%	23.5%	29.5%
TPA	5.6%	6.5%	14.1%	5.9%	7.6%
No One	23.6%	18.5%	5.9%	11.8%	16.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

D. Provide Investment Modeling Tools

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	2.9%	5.7%	3.5%	1.5%	3.6%
Plan Provider	77.1%	78.7%	77.6%	89.7%	79.8%
Investment Consultant	8.6%	13.1%	14.1%	10.3%	11.3%
TPA	6.4%	8.2%	18.8%	10.3%	10.1%
No One	12.1%	7.4%	2.4%	1.5%	7.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

E. Provide Online Investment Selection Help

Provider	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Plan Sponsor	3.6%	4.9%	1.2%	1.5%	3.1%
Plan Provider	73.9%	78.7%	72.9%	88.2%	77.5%
Investment Consultant	8.0%	13.9%	17.6%	11.8%	12.3%
TPA	6.5%	9.0%	16.5%	8.8%	9.7%
No One	13.8%	7.4%	4.7%	2.9%	8.2%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

Table 9. Percentage of Plans that Make a Financial Planner Available to Participants

Availability	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Yes	43.8%	64.8%	62.4%	52.2%	55.0%
No	48.6%	32.8%	35.3%	44.9%	40.7%
Unsure	7.6%	2.5%	2.4%	2.9%	4.3%

Table 10. Percentage of Plans that Make a Financial Advice Available to Participants

Availability	Plan Size (# of Participants)				
	1-49	50-199	200-999	1,000+	All Plans
Yes	32.6%	60.0%	58.8%	50.7%	48.8%
No	59.7%	37.5%	31.8%	44.9%	45.2%
Unsure	7.6%	2.5%	9.4%	4.3%	6.0%

Appendix I – Industry Breakouts

1. Which of the following is being done for your 403(b) plan and who is doing it?

A. Review and Evaluation of Investment Funds

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	50.0%	28.6%	23.8%	4.8%	0.0%	16.7%	0.0%
Association/Foundation	56.3%	37.5%	31.3%	9.4%	3.1%	15.6%	0.0%
Healthcare	69.7%	15.2%	54.5%	15.2%	0.0%	3.0%	0.0%
Higher Education	67.0%	23.1%	48.4%	5.5%	0.0%	6.6%	0.0%
Hospitals	66.7%	28.6%	76.2%	4.8%	0.0%	0.0%	0.0%
K-12 Education	58.1%	35.1%	39.2%	6.8%	0.0%	8.1%	0.0%
Other Education*	44.4%	44.4%	27.8%	5.6%	5.6%	11.1%	0.0%
Religious Intuitions*	62.5%	31.3%	37.5%	0.0%	0.0%	12.5%	0.0%
Research, Science, Enviro.	64.3%	28.6%	42.9%	10.7%	0.0%	0.0%	0.0%
Social/Community Services	60.7%	33.9%	37.5%	10.7%	0.0%	10.7%	1.8%

* Small sample size.

B. Review and Evaluate Fees

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	57.1%	23.8%	23.8%	2.4%	2.4%	16.7%	0.0%
Association/Foundation	84.4%	18.8%	28.1%	6.3%	0.0%	9.4%	0.0%
Healthcare	69.7%	15.2%	54.5%	12.1%	0.0%	6.1%	0.0%
Higher Education	71.4%	16.5%	47.3%	6.6%	0.0%	9.9%	0.0%
Hospitals	66.7%	23.8%	61.9%	4.8%	0.0%	4.8%	0.0%
K-12 Education	67.6%	17.6%	33.8%	4.1%	0.0%	10.8%	1.4%
Other Education*	55.6%	33.3%	22.2%	5.6%	5.6%	11.1%	0.0%
Religious Intuitions*	80.0%	6.7%	40.0%	0.0%	0.0%	6.7%	0.0%
Research, Science, Enviro.	75.0%	28.6%	39.3%	7.1%	0.0%	0.0%	3.6%
Social/Community Services	75.0%	25.0%	33.9%	5.4%	0.0%	7.1%	0.0%

* Small sample size.

C. Create/Have an Investment Policy Statement

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	35.7%	14.3%	23.8%	7.1%	2.4%	40.5%	0.0%
Association/Foundation	48.4%	12.9%	19.4%	6.5%	3.2%	41.9%	0.0%
Healthcare	59.4%	12.5%	37.5%	15.6%	9.4%	15.6%	0.0%
Higher Education	64.4%	17.8%	32.2%	5.6%	11.1%	15.6%	0.0%
Hospitals	81.0%	9.5%	38.1%	0.0%	14.3%	0.0%	0.0%
K-12 Education	54.1%	13.5%	25.7%	5.4%	4.1%	23.0%	0.0%
Other Education*	27.8%	22.2%	16.7%	11.1%	11.1%	44.4%	0.0%
Religious Intuitions*	62.5%	25.0%	31.3%	6.3%	0.0%	25.0%	0.0%
Research, Science, Enviro.	57.1%	21.4%	21.4%	3.6%	3.6%	17.9%	0.0%
Social/Community Services	50.0%	18.5%	24.1%	7.4%	3.7%	31.5%	0.0%

* Small sample size.

D. Monitor IPS for compliance

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	46.3%	19.5%	24.4%	9.8%	0.0%	26.8%	0.0%
Association/Foundation	46.9%	12.5%	18.8%	6.3%	3.1%	37.5%	0.0%
Healthcare	65.6%	12.5%	34.4%	25.0%	0.0%	15.6%	3.1%
Higher Education	73.0%	20.2%	39.3%	9.0%	6.7%	11.2%	0.0%
Hospitals	71.4%	14.3%	52.4%	9.5%	4.8%	0.0%	0.0%
K-12 Education	48.6%	18.1%	26.4%	9.7%	1.4%	22.2%	0.0%
Other Education*	27.8%	22.2%	16.7%	5.6%	5.6%	38.9%	0.0%
Religious Intuitions*	56.3%	18.8%	6.3%	12.5%	0.0%	25.0%	0.0%
Research, Science, Enviro.	60.7%	21.4%	28.6%	10.7%	0.0%	17.9%	0.0%
Social/Community Services	51.8%	30.4%	25.0%	12.5%	1.8%	19.6%	0.0%

* Small sample size.

E. Conduct Periodic RFPs

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	26.2%	2.4%	19.0%	0.0%	0.0%	61.9%	0.0%
Association/Foundation	43.3%	3.3%	23.3%	10.0%	0.0%	46.7%	0.0%
Healthcare	56.3%	3.1%	34.4%	9.4%	3.1%	28.1%	0.0%
Higher Education	48.9%	3.4%	30.7%	4.5%	1.1%	35.2%	2.3%
Hospitals	60.0%	0.0%	50.0%	0.0%	0.0%	15.0%	0.0%
K-12 Education	30.6%	11.1%	12.5%	2.8%	0.0%	52.8%	0.0%
Other Education*	17.6%	11.8%	17.6%	5.9%	5.9%	58.8%	0.0%
Religious Intuitions*	37.5%	18.8%	25.0%	0.0%	0.0%	43.8%	0.0%
Research, Science, Enviro.	30.8%	11.5%	30.8%	0.0%	0.0%	42.3%	0.0%
Social/Community Services	55.4%	5.4%	23.2%	3.6%	0.0%	30.4%	1.8%

* Small sample size.

F. Ensure Compliance with Regulations (Non-discrimination Testing)

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	57.1%	23.8%	9.5%	21.4%	0.0%	9.5%	4.8%
Association/Foundation	53.1%	37.5%	15.6%	25.0%	3.1%	6.3%	3.1%
Healthcare	45.5%	27.3%	9.1%	66.7%	3.0%	0.0%	0.0%
Higher Education	62.2%	26.7%	25.6%	20.0%	10.0%	6.7%	4.4%
Hospitals	61.9%	42.9%	9.5%	28.6%	23.8%	0.0%	0.0%
K-12 Education	52.1%	27.4%	16.4%	17.8%	5.5%	11.0%	0.0%
Other Education*	50.0%	33.3%	0.0%	16.7%	5.6%	16.7%	0.0%
Religious Intuitions*	46.7%	33.3%	0.0%	20.0%	0.0%	20.0%	0.0%
Research, Science, Enviro.	46.4%	42.9%	14.3%	28.6%	3.6%	7.1%	3.6%
Social/Community Services	41.1%	51.8%	5.4%	17.9%	0.0%	10.7%	1.8%

* Small sample size.

G. Ensure Compliance with Regulations (Non-discrimination Testing) (ERISA Plans Only)

Industry	Provider						
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	Attorney	No One	Other
Arts/Cultural/Library	57.1%	23.8%	9.5%	21.4%	0.0%	9.5%	4.8%
Association/Foundation	53.1%	37.5%	15.6%	25.0%	3.1%	6.3%	3.1%
Healthcare	45.5%	27.3%	9.1%	66.7%	3.0%	0.0%	0.0%
Higher Education	62.2%	26.7%	25.6%	20.0%	10.0%	6.7%	4.4%
Hospitals	61.9%	42.9%	9.5%	28.6%	23.8%	0.0%	0.0%
K-12 Education	52.1%	27.4%	16.4%	17.8%	5.5%	11.0%	0.0%
Other Education*	50.0%	33.3%	0.0%	16.7%	5.6%	16.7%	0.0%
Religious Intuitions*	46.7%	33.3%	0.0%	20.0%	0.0%	20.0%	0.0%
Research, Science, Enviro.	46.4%	42.9%	14.3%	28.6%	3.6%	7.1%	3.6%
Social/Community Services	41.1%	51.8%	5.4%	17.9%	0.0%	10.7%	1.8%

* Small sample size.

2. Percentage of Plans that Have an Oversight Structure for Ensuring Adherence to the Plan Document

Industry	Percentage
Arts/Cultural/Library	58.5%
Association/Foundation	64.5%
Healthcare	75.8%
Higher Education	81.3%
Hospitals	86.4%
K-12 Education	70.8%
Other Education*	61.1%
Religious Intuitions*	50.0%
Research, Science, Enviro.	75.0%
Social/Community Services	76.8%

* Small sample size.

3. Items Used to Benchmark Funds

Industry	Benchmark					
	Performance	Fees	Risk	Style Drift	Other	None
Arts/Cultural/Library	56.1%	53.7%	41.5%	22.0%	0.0%	39.0%
Association/Foundation	68.8%	62.5%	56.3%	12.5%	0.0%	31.3%
Healthcare	84.4%	75.0%	75.0%	46.9%	6.3%	15.6%
Higher Education	85.6%	70.0%	66.7%	37.8%	1.1%	14.4%
Hospitals	100.0%	81.0%	81.0%	38.1%	4.8%	0.0%
K-12 Education	78.4%	58.1%	54.1%	13.5%	0.0%	18.9%
Other Education*	55.6%	44.4%	50.0%	16.7%	0.0%	44.4%
Religious Intuitions*	76.9%	61.5%	53.8%	7.7%	7.7%	15.4%
Research, Science, Enviro.	78.6%	71.4%	57.1%	21.4%	3.6%	10.7%
Social/Community Services	81.8%	67.3%	60.0%	21.8%	0.0%	18.2%

* Small sample size.

5. Number of Investment Funds Replaced in the Last Two Years by Industry

Industry	Number of Funds				
	One	Two-Five	Six-Ten	More than Ten	None
Arts/Cultural/Library	4.9%	22.0%	7.3%	0.0%	65.9%
Association/Foundation	6.5%	32.3%	0.0%	3.2%	58.1%
Healthcare (other than hospitals)	0.0%	48.5%	9.1%	21.2%	21.2%
Higher Education (including faith-based)	6.7%	34.4%	11.1%	12.2%	35.6%
Hospitals & Hospital Systems (including faith-based)	0.0%	72.7%	13.6%	4.5%	9.1%
K-12 Education	4.2%	31.9%	5.6%	8.3%	50.0%
Other Education	11.1%	22.2%	16.7%	0.0%	50.0%
Religious Intuition (i.e. Churches)	12.5%	31.3%	6.3%	12.5%	37.5%
Research, Science, or Environmental	0.0%	25.9%	11.1%	7.4%	55.6%
Social/Community Services	3.6%	33.9%	10.7%	10.7%	41.1%
Other	0.0%	38.5%	0.0%	7.7%	53.8%

6. Percentage of Plans that Offer Investment Funds that use Revenue Sharing

Industry	Yes	No	Unsure
Arts/Cultural/Library	14.3%	38.1%	47.6%
Association/Foundation	6.3%	40.6%	53.1%
Healthcare	18.2%	33.3%	48.5%
Higher Education	41.1%	20.0%	38.9%
Hospitals	50.0%	22.7%	27.3%
K-12 Education	13.5%	35.1%	51.4%
Other Education*	23.5%	17.6%	58.8%
Religious Intuitions*	20.0%	26.7%	53.3%
Research, Science, Enviro.	7.1%	35.7%	57.1%
Social/Community Services	16.1%	37.5%	46.4%

* Small sample size.

6. Which of the following is provided to participants and who is doing it?

A. List of funds and fund descriptions

Industry	Provider					
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	No One	Other
Arts/Cultural/Library	33.3%	66.7%	7.1%	4.8%	4.8%	0.0%
Association/Foundation	40.6%	81.3%	6.3%	3.1%	0.0%	0.0%
Healthcare	33.3%	72.7%	9.1%	21.2%	0.0%	0.0%
Higher Education	36.3%	73.6%	11.0%	12.1%	3.3%	0.0%
Hospitals	30.0%	85.0%	5.0%	15.0%	0.0%	0.0%
K-12 Education	54.1%	68.9%	5.4%	8.1%	0.0%	0.0%
Other Education*	38.9%	77.8%	5.6%	5.6%	0.0%	0.0%
Religious Intuitions*	43.8%	75.0%	12.5%	6.3%	0.0%	0.0%
Research, Science, Enviro.	50.0%	78.6%	10.7%	7.1%	0.0%	0.0%
Social/Community Services	44.6%	71.4%	10.7%	8.9%	0.0%	0.0%

* Small sample size.

B. Help Participants Decide What Funds to Invest in

Industry	Provider					
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	No One	Other
Arts/Cultural/Library	2.4%	61.0%	19.5%	4.9%	19.5%	0.0%
Association/Foundation	3.1%	71.9%	21.9%	0.0%	15.6%	0.0%
Healthcare	0.0%	33.3%	42.4%	18.2%	9.1%	0.0%
Higher Education	8.8%	64.8%	36.3%	8.8%	11.0%	0.0%
Hospitals	0.0%	75.0%	30.0%	10.0%	5.0%	0.0%
K-12 Education	8.1%	58.1%	27.0%	9.5%	14.9%	0.0%
Other Education*	5.6%	66.7%	22.2%	5.6%	5.6%	0.0%
Religious Intuitions*	18.8%	62.5%	31.3%	12.5%	12.5%	0.0%
Research, Science, Enviro.	0.0%	60.7%	28.6%	7.1%	10.7%	0.0%
Social/Community Services	7.1%	53.6%	37.5%	8.9%	7.1%	0.0%

* Small sample size.

C. Help Participants Decide How Much to Invest in Each Fund

Industry	Provider					
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	No One	Other
Arts/Cultural/Library	2.4%	53.7%	19.5%	4.9%	26.8%	0.0%
Association/Foundation	3.2%	67.7%	22.6%	0.0%	12.9%	0.0%
Healthcare	0.0%	39.4%	39.4%	18.2%	12.1%	0.0%
Higher Education	9.9%	57.1%	36.3%	8.8%	14.3%	0.0%
Hospitals	5.0%	60.0%	30.0%	5.0%	15.0%	0.0%
K-12 Education	8.1%	52.7%	25.7%	6.8%	18.9%	0.0%
Other Education*	5.6%	61.1%	22.2%	5.6%	11.1%	0.0%
Religious Intuitions*	18.8%	50.0%	18.8%	12.5%	25.0%	0.0%
Research, Science, Enviro.	3.6%	57.1%	25.0%	7.1%	17.9%	0.0%
Social/Community Services	3.6%	50.0%	35.7%	7.1%	14.3%	0.0%

* Small sample size.

D. Provide Investment Modeling Tools

Industry	Provider					
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	No One	Other
Arts/Cultural/Library	2.5%	75.0%	7.5%	5.0%	15.0%	0.0%
Association/Foundation	0.0%	93.5%	3.2%	3.2%	3.2%	0.0%
Healthcare	0.0%	72.7%	12.1%	24.2%	6.1%	0.0%
Higher Education	5.6%	80.0%	14.4%	11.1%	4.4%	0.0%
Hospitals	0.0%	80.0%	15.0%	15.0%	5.0%	0.0%
K-12 Education	5.5%	74.0%	9.6%	8.2%	11.0%	0.0%
Other Education*	5.9%	88.2%	11.8%	0.0%	5.9%	0.0%
Religious Intuitions*	0.0%	75.0%	12.5%	12.5%	18.8%	0.0%
Research, Science, Enviro.	0.0%	96.2%	3.8%	3.8%	0.0%	0.0%
Social/Community Services	3.6%	80.4%	12.5%	12.5%	5.4%	0.0%

* Small sample size.

E. Provide Online Investment Selection Help

Industry	Provider					
	Plan Sponsor	Plan Provider	Investment Consultant	TPA	No One	Other
Arts/Cultural/Library	5.1%	71.8%	10.3%	5.1%	10.3%	0.0%
Association/Foundation	0.0%	93.3%	6.7%	3.3%	3.3%	0.0%
Healthcare	0.0%	69.7%	15.2%	21.2%	9.1%	0.0%
Higher Education	3.4%	79.8%	13.5%	12.4%	4.5%	0.0%
Hospitals	0.0%	85.0%	20.0%	5.0%	0.0%	0.0%
K-12 Education	6.8%	74.3%	10.8%	8.1%	9.5%	0.0%
Other Education*	5.9%	88.2%	11.8%	0.0%	5.9%	0.0%
Religious Intuitions*	0.0%	68.8%	12.5%	18.8%	25.0%	0.0%
Research, Science, Enviro.	0.0%	85.2%	0.0%	3.7%	11.1%	0.0%
Social/Community Services	1.8%	74.5%	14.5%	12.7%	10.9%	0.0%

* Small sample size.

7. Percentage of Plans that Make a Financial Planner Available to Participants

Industry	Yes	No	Unsure
Arts/Cultural/Library	31.7%	61.0%	7.3%
Association/Foundation	41.9%	51.6%	6.5%
Healthcare	63.6%	27.3%	9.1%
Higher Education	64.8%	34.1%	1.1%
Hospitals	47.6%	47.6%	4.8%
K-12 Education	58.1%	37.8%	4.1%
Other Education*	61.1%	33.3%	5.6%
Religious Intuitions*	50.0%	37.5%	12.5%
Research, Science, Enviro.	50.0%	46.4%	3.6%
Social/Community Services	60.4%	39.6%	0.0%

* Small sample size.

8. Percentage of Plans that Make a Financial Advice Available to Participants

Industry	Yes	No	Unsure
Arts/Cultural/Library	29.3%	61.0%	9.8%
Association/Foundation	40.6%	56.3%	3.1%
Healthcare	53.1%	40.6%	6.3%
Higher Education	57.3%	37.1%	5.6%
Hospitals	45.5%	50.0%	4.5%
K-12 Education	45.8%	48.6%	5.6%
Other Education*	44.4%	44.4%	11.1%
Religious Intuitions*	56.3%	25.0%	18.8%
Research, Science, Enviro.	57.1%	39.3%	3.6%
Social/Community Services	53.7%	42.6%	3.7%

* Small sample size.

Appendix II – Questionnaire

The following questions were posed to respondents online.

1. Which of the following is being done for your 403(b) plan, and who is doing it?

Function	Provider						
	You (Plan Sponsor representative or committee)	Plan Provider	Registered investment Consultant	TPA	Attorney	No One	Other (Please list)
Review and Evaluate Your Investment Funds							
Review and Evaluate Plan Fees							
Create/Have an Investment Policy Statement (IPS)							
Review IPS and Monitor for Compliance							
Conduct a Periodic RFP (request for proposal) to ensure that current plan-paid fees are reasonable							
Ensure compliance with regulations (performs non-discrimination testing).							

2. Which of the following do you use in benchmarking your plan investments? Check all that apply.

- Performance
- Risk
- Style Drift
- Fees
- None

3. How many funds have you replaced in the last 2 years?

- One
- 2-5
- 6-10
- More than 10
- None

4. Do any of your investment funds use revenue sharing?

- Yes No Unsure

5. Do you have an oversight structure to ensure adherence to the plan document?

- Yes No

6. Which of the following is provided to participants and who provides it? Check all that apply.

	You (Plan Sponsor representative or committee)	Plan Provider	Registered Investment Consultant	TPA	Attorney	No One	Other
List of funds and fund descriptions.							
Help participants decide what funds to invest in.							
Help participants decide how much to invest in each fund.							
Online modeling tools.							
Online investment selection help.							
Make a financial planner available to participants.							

7. Do you offer investment advice to participants? (Advice is a specific recommendation to participants regarding their investment options and allocation versus general plan education.)

Yes No Unsure