

New Plan Sponsor Education Program and Credential

New PSCA program fills the gap in plan sponsor education.

By Nevin Adams

I've had the opportunity to meet with thousands of plan sponsors throughout the years, and as different as they and the workers and organizations they served were, they all had one thing in common — they found themselves with the duties of a plan sponsor with little or no training to equip them.

Indeed, there's more than a bit of irony that individuals who find themselves in a job with personal liability for their actions (and the actions of their co-fiduciaries) alongside an expectation of prudence that courts have described as the "highest known to man" have had little in the way of practical, retirement plan focused training.

In no small part, that's why the Plan Sponsor Council of America (PSCA), working with staff at the American Retirement Association, undertook the project of building an exciting new credential for plan sponsors — the Certified Plan Sponsor Professional (CPSP™).

Our goals in developing the program were to:

- Provide plan sponsors with education on the critical aspects of their role,
- Acknowledge those who had demonstrated the requisite amount of knowledge as professionals in the field,
- Expand the array of PSCA membership benefits, and in the process,
- Grow PSCA membership.



CPSP™

CERTIFIED
PLAN SPONSOR
PROFESSIONAL

The Credential

The structuring of the credential began with the assembly of a group of plan sponsors nearly a year ago to identify the key areas of expertise expected of an individual with approximately two years of experience in a plan sponsor role. That long list of items was condensed into nine key areas of focus that remain the organizational focus of the credential, and those various areas were further weighted by our panel of subject matter experts (SMEs), based on their perceived criticality to the position.

Those nine key areas are:

- Considerations for Retirement Plan Design
- The Most Popular Defined Contribution Plan: The 401(k)
- Beyond the 401(k) (Other Types of Employer-Sponsored Retirement Plans)
- Plan Fiduciary Obligations and Risk Management
- Investment Concepts
- Behavioral Finance and Employee Engagement
- Vendor Management and Selection

- Plan Operations
- Plan Audits and Compliance

Having developed the exam format, we began the process of populating a databank of multiple-choice questions that would validate the requisite level of professional expertise to earn the CPSP credential. To do so, we brought together a group of plan sponsor subject matter experts. We have continued to expand and validate that bank of exam questions, and expect to do so on an on-going basis, subject to psychometric review.

To be eligible for the CPSP, a candidate must have at least 2 years of experience in a plan sponsor-related role, pass the CPSP credential exam, and ascribe to the PSCA Professional Code of Ethics.

Online Education

While there is no prerequisite coursework to take to obtain the CPSP credential, in view of the variety of the plan sponsor scope and traditional lack of applicable training, we determined that it would be helpful to develop an

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education course that could serve to refresh concepts, or fill in informational gaps, for those interested in pursuing the CPSP credential.

With the support of five key education partners — Ascensus, Franklin Templeton, OppenheimerFunds, PIMCO, and Wilmington Trust — and with our outline in place, we engaged teams of industry experts to flesh out those concepts into scripts and further refined and edited those scripts into three courses (Choosing Your Plan, Building Your Plan, & Running Your Plan) comprised of nine separate modules based on the key areas of consideration identified.

Working hand-in-hand with the team of instructional designers at the American Retirement Association, an advisory council comprised of both plan sponsors and representatives from our five education partners (see inset box to the right), as well as ARA subject matter experts, we leveraged the latest in online education technology and adult learning methods to develop the online courses.

Qualified plan sponsor candidates are free to take just the education program, but we encourage all participants to take the exam to demonstrate their mastery of the subject matter.

What's Next?

The 2019 PSCA National Conference will inaugurate this new plan sponsor credential, the Certified Plan Sponsor Professional (CPSP). The CPSP credential affirms the holder has the requisite knowledge and skills to effectively evaluate, design, implement, and manage all aspects of an employer-sponsored retirement savings plan.

The Certified Plan Sponsor Professional education program and credential exam are available at no charge to all PSCA members through the generous support of our CPSP education partners. Individuals may also receive an enrollment code directly from a CPSP education partner or

Certified Plan Sponsor Professional Advisory Council

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Three Basic Plan Options - Overview

An actuary will calculate the estimated amount needed to fund a Defined Benefit Plan based on projections regarding:

Drag the correct answers into the Actuary Will Calculate box.

Tenure			
Longevity		Position	
Actuary will Calculate			
Age	Salary		

Submit
Close Window

Plan sponsors may choose to offer any of these options, or a combination.

Click the "Question Me" icon below to check your understanding.

★★★★☆

CPFA advisor to grant them access to the education and exam.

Plan sponsors who register for the 2019 National Conference will not only have a ground floor opportunity to earn this credential, but also to participate in a “boot camp” preparatory session on May 1 for the credential exam to be offered on May 2.

Getting Started

If you haven't yet registered for the PSCA National Conference, we hope you'll do so soon — and stay on for the bootcamp and credentialing exam.

If you're not able to join us this year, fear not — as a PSCA member, you've got access to the online education train-

ing. For more information, contact Tobi Davis at tdavis@usaretirement.org.

Nevin E. Adams, JD, is the Chief Content Officer for the American Retirement Association.

The CPSP Education Program: Module-by-Module

Course 1: Choosing Your Plan

In the first module, *Considerations for Plan Design*, we focus on the retirement plan design process, and the options and choices you have as a plan sponsor in establishing a plan — and that you can, and should, consider in evaluating the plan you have in place. We touch on issues such as payroll and compensation practices, which can have a direct impact on plan design, and we outline how your objectives for the plan can be translated into a clear plan design strategy. We outline the three basic plan types — defined benefit, defined contribution, and hybrid — and then step through the process of the various design considerations: eligibility, enrollment, vesting, contribution formulas, and compensation definitions through the prism of *The Most Common DC Plan — The 401(k) Plan*. The third module in this course moves *Beyond the 401(k)* to explore how those factors might be influenced by other plan type choices.

Course 2: Building Your Plan

Having considered the plan design, we move into the practices of actually building the plan. The baseline for that, as you might expect, is *Plan Fiduciary Obligations & Risk Management*. This module outlines: the roles and responsibilities of a plan fiduciary, the different types of fiduciaries, prohibited transactions, and the consequences of a breach of fiduciary duty, and outlines a series of strategies to mitigate risk. We also cover the four key principles of a fiduciary's obligation: the prudent expert rule, the exclusive benefit rule, the plan document rule, and the rule of diversification.

The *Investment Concepts* module runs the gamut from the use of an investment policy statement, defining asset classes, outlining the concepts behind establishing a diversified portfolio, and the various types of “packages” — mutual funds, collective investment trusts, exchange-traded funds, etc. — in which those asset classes are typically found in retirement plan menus.

With the third module in this course, *Behavioral Finance and Employee Engagement*, the goal is to teach you tools and techniques that influence participant behavior with the objective of maximizing the effectiveness of the retirement plan benefit. This module covers the various behavioral biases that can negatively impact retirement savings decisions, and provides some strategies to overcome them. We also explore the expanding focus on participant “outcomes” and the emergence and implications of financial wellness on plan designs.

Course 3: Running Your Plan

Running a plan is a big, time-consuming job, and plan sponsors generally enlist the support of qualified experts to help them do so. *The Vendor Selection and Management* module focuses on the various options available, the standard of care in selecting and reviewing that selection over time, various types of service arrangements, and the benchmarking alternatives available in different circumstances.

The *Plan Operations* module is designed to help you provide oversight, identify issues, and recommend improvements to plan operations to ensure that the plan operates efficiently, effectively, and in compliance with documents, regulations, and policies that govern the retirement plan. That includes dealing with specific issues relating to enrollment, contribution allocations and crediting, vesting, discrimination testing and distributions, including loans and required minimum distributions.

The course concludes by covering the audit process in the final module, *Plan Audits and Compliance*. This module explores various means to resolve potential problems that might arise during an audit, how to maintain plan documents, compliance testing, and notices and disclosures, as well as highlighting common plan failures — and how to avoid them.

Let's get started! Visit <https://pscalearn.org>