
MassMutual, Envestnet enhance fiduciary services

By Editorial Staff Thu, Sep 22, 2016

Earlier this year, MassMutual and ERS, Envestnet's registered investment advisor, added '3(21)' service to their Fiduciary Assure program. Now they're adding a '3(38)' service.

MassMutual and Envestnet Retirement Services (ERS) are expanding their Fiduciary Assure program, through which ERS helps Mass Mutual institutional retirement clients maintain compliance with their ERISA fiduciary obligations, the insurer announced this week.

“Our new services are complemented by our new Fiduciary Support Analyzer, which can help retirement plan sponsors determine their relative risk and need for fiduciary support, and our new tracking guide,” said Tina Wilson, senior vice president, Investment Solutions Innovation, in a news release.

Earlier this year, MassMutual and ERS, a registered investment advisor, added “3(21)” service to their Fiduciary Assure program. Now, as an expansion of the program, MassMutual and ERS are offering a “3(38) service.

Both the 3(38) and 3(21) services are available at no additional cost to retirement plans with less than \$5 million in recordkeeping assets, according to Wilson. Larger plans pay a fee of two basis points for either service, she said.

Under the 3(38) service, sponsors can allocate certain fiduciary investment responsibilities to ERS. ERS or the plan sponsor develops the investment lineup from a pre-approved list of investment options. ERS monitors the investment performance and directs MassMutual to adjust the investment lineup as needed in order to meet core asset class requirements.

With the 3(21) service, sponsors share their fiduciary investment responsibility with ERS. Sponsors retain the ultimate decision-making authority provided their investment lineup includes at least one investment option in each of four core asset classes (cash equivalent, domestic bond, domestic equity and foreign equity) from a pre-selected list provided by ERS.

Or, sponsors can opt for a pre-selected investment lineup. Sponsors are responsible for making ongoing investment line-up changes in order to maintain the core asset class requirements.

As part of the enhancements, Fiduciary Assure provides sponsors and advisors digital access to critical reporting information, MassMutual said. Separate websites enable sponsors and advisors to monitor fiduciary compliance by providing “fingertip access” to reporting that is specific to each retirement plan. Sponsors’ fiduciary investment reports are housed within an online data vault.

MassMutual is introducing a digital fiduciary planning guide and calendar that helps advisors and sponsors track key fiduciary filing dates for both defined contribution and defined benefit plans. The guide contains key dates that plan fiduciaries should be aware of related to plan filings, notices, distributions, testing and reporting requirements.

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