

Mercer offers new turnkey fiduciary services to plan sponsors

By Editorial Staff Thu, Oct 6, 2016

'Plan sponsors face an increasingly difficult regulatory environment, increased litigation risk and heightened demand on their limited resources to support their 401(k),' said a Mercer executive.

Mercer, the global benefits consultant, has launched Mercer Wise 401(k), a service that will allow employers to turn the administration, operations, investment decisions and fiduciary responsibilities of their plans over to Mercer.

At a time when plan sponsors face the potential for class-action lawsuits over activities once regarded as business-as-usual, such as revenue-sharing agreements with plan providers, Mercer evidently sees an opportunity to serve as the ERISA “plan administrator” and “named fiduciary” for employers and help ensure that they’re compliant with pension law.

“We believe that segments of the 401(k) marketplace suffer from high fees and lack of transparency, among other challenges. Against this background, plan sponsors face an increasingly difficult regulatory environment, increased litigation risk and heightened demand on their limited resources to support their 401(k),” said Tom Murphy, Senior Partner, Mercer, in a release.

“By assuming the responsibilities of named fiduciary, Mercer can reduce risks for plan sponsors, who may be challenged in meeting an ever increasing burden. We will leverage our global research and investment expertise and use our economies of scale to provide transparency, cost reductions and improved services.”

Participants in Mercer Wise 401(k) will have access to Mercer Financial Wellness, an open architecture financial wellness platform that includes access to online budgeting tools, credit-score monitoring, a robo-advice solution, student loan refinancing and other services provided through third-party providers.

Mercer Wise 401(k) offers its clients features including but not limited to:

- Taking ownership of many of the fiduciary responsibilities of plan sponsors.
- Offering participants access to high quality institutional investment solutions developed by Mercer’s global research team by engaging independent investment managers.
- Assuming responsibility for plan administration and meeting certain regulatory requirements, such as Form 5500 filings and non-discrimination testing.

Mercer Wise 401(k) services are provided by Mercer Investment Management, Inc., which is a unit of Marsh & McLennan Companies, a global professional services firm with annual revenue of \$13 billion and 60,000 employees. Other units include Marsh, an insurance broking and risk management firm; Guy Carpenter, a provider of risk and reinsurance intermediary services; and Oliver Wyman, a management consulting firm.

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