

Who is involved in a qualified plan?

A qualified plan involves several different roles and responsibilities. Below is a brief description of the different types of people who may be involved with a plan.

PLAN PARTICIPANT

An eligible employee covered by a retirement plan. This includes employees or beneficiaries with an account balance in the plan, or an employee eligible to participate in the plan but does not have an account balance.

PLAN SPONSOR

Employer or organization that establishes and maintains the plan. Additional information can be found here: <https://www.irs.gov/retirement-plans/plan-sponsor/a-plan-sponsors-responsibilities>.

PLAN ADMINISTRATOR

Person or company responsible for the administration of the plan including providing disclosures to plan participants and selecting the plan's service providers. Generally, the plan sponsor will service as the plan administrator, unless another party is designated to do so in the plan document. Additional information can be found here: <https://www.irs.gov/retirement-plans/retirement-plan-operation-and-maintenance>.

PLAN TRUSTEE

Person or entity that has exclusive authority and discretion over the management and control of plan assets. The trustee will process contributions, distributions and other transactions. A trustee can be an individual or an institution.

PLAN FIDUCIARY

Anyone who exercises discretionary authority or control over management or administration of the plan, exercise any authority or control over management or disposition of plan assets, or gives investment advice for a fee or other compensation with respect to assets of the plan.

FINANCIAL ADVISOR

Person who supports the plan by providing investment advice and education.

THIRD PARTY ADMINISTRATOR (TPA) – WATKINS ROSS

Watkins Ross (WR) provides specific plan services, including consulting on compliance and plan design strategies, assisting with plan documents, and ongoing plan administration (for example: calculate vesting, benefit payments, etc.). WR will also perform annual testing, calculate employer contributions and prepare the Form 5500.

RECORDKEEPER

A third-party service provider retained to keep certain financial and retirement plan records, at both a plan and participant level.

CUSTODIAN

A financial institution that holds securities for safekeeping to minimize the risk of theft or loss.