# 408(g) Fiduciary Adviser FAQ

Frequently Asked Questions | Plan Sponsor Use Only

*Qualifying financial professionals may take on the role of "Fiduciary Adviser," which allows them to provide investment advice to retirement plan participants and help plan sponsors reduce their fiduciary liability through an "Eligible Investment Advice Arrangement."*

**What you need to know before hiring a 408(g) Fiduciary Adviser for your retirement plan participants.**

1. **We already have an adviser on our plan. Are they a 408(g) Fiduciary Adviser?**
   The adviser on the plan is not automatically a 408(g) Fiduciary Adviser to the plan participants. A separate 408(g) Fiduciary Adviser agreement must be executed between the plan and the adviser.

2. **Do we have to change service providers or investment options to utilize a 408(g) Fiduciary Adviser?**
   No. A 408(g) Fiduciary Adviser does not supplant or replace any plan service provider or investment options. A 408(g) Fiduciary Adviser works in conjunction with existing plan offerings.

3. **We already have a 3(38) fiduciary. Why do we need a 408(g) Fiduciary Adviser?**
   A 3(38) fiduciary is engaged exclusively to select and monitor plan investments for plan sponsors under the high ERISA fiduciary standard. A 408(g) Fiduciary Adviser is engaged exclusively to select and monitor plan investments for plan participants under the high ERISA fiduciary standard.

4. **Why should we consider offering 408(g) Fiduciary Adviser services to our participants?**
   There are a variety of plan sponsor benefits. First, participants benefit by having an investment professional – knowledgeable about the plan – that is held to the ERISA fiduciary standard. Next, the plan sponsor is insulated from liability for the advice provided by the 408(g) Fiduciary Adviser. Lastly, the 408(g) Fiduciary Adviser services are unique as they operate within the existing infrastructure of the plan, without requiring changes to the investment menus.

5. **Can our existing 3(38) fiduciary also be a 408(g) Fiduciary Adviser?**
   Yes. Advisers offering both types of services would have two separate agreements to ensure that the terms and compensation arrangements are suitable for each type of service.

6. **Our plan already has a managed account option for participants. Why do we need a 408(g) Fiduciary Adviser?**
   A managed account option is a useful tool many participants utilize. A 408(g) Fiduciary Adviser provides a broader range of advice and support, and is always held to the ERISA fiduciary requirements. The 408(g) Fiduciary Adviser does not compete with managed accounts but rather provides a higher level of support and often incorporates managed accounts into their recommendations.

7. **Our record keeper has a robo-adviser option. Isn't that the same as a 408(g) Fiduciary Adviser?**
   While robo-adviser options can operate as a 408(g) Fiduciary Adviser, it is relatively rare. The difference is that a 408(g) Fiduciary Adviser provides professional investment support to participants that is always held to the high ERISA fiduciary standard. A 408(g) Fiduciary Adviser provides other benefits in the delivery of advice to plan participants such as the flexibility to leverage the robo-adviser service, plan sponsor liability protection and the ability to utilize all other plan investment offerings as well.

8. **Who pays for the 408(g) Fiduciary Adviser services?**
   Various compensation approaches are available. The plan sponsor can compensate the 408(g) Fiduciary Adviser, or fees can be paid directly or indirectly by the plan participants.

**FOR MORE INFORMATION**

Email us at:
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Notes and Additional Questions | Plan Sponsor Use Only

**Notes:**

**Questions:**