

What are 3(16) Plan Administration Services?

Every tax-qualified retirement plan must have a person that serves as the “Plan Administrator” as defined in ERISA Section 3(16). The Plan Administrator is a statutory plan fiduciary and is ultimately responsible for all aspects of running the ERISA qualified plan. Because of the complex nature of qualified retirement plans, it is customary for Plan Sponsors to rely on the services of multiple providers, including recordkeeping platforms, third party administrators, financial advisors, and lawyers to help perform various operational functions. Typically, such plan service providers are not statutory plan fiduciaries and liability is limited by the terms of their service agreements. Ultimately, the Plan Administrator, as a fiduciary, will be held fully and personally accountable for the management of the retirement plan.

As Plan Sponsor, you have the ability to outsource these fiduciary requirements to another service provider. If you have engaged Sentinel Benefits to act in this 3(16) Plan Administrator capacity, we will essentially step into the shoes of the Plan Administrator and become your Plan’s ERISA 3(16) fiduciary.