

Granite Insight

Employers Beware!

The unexpected outcome of the Supreme Court's decision on *Tibble vs Edison* put employers on alert. The reason this is so important, has less to do with fees, and more to do with the investment process.

The ruling said:

ERISA's fiduciary duty is "derived from the common law of trusts," under which a trustee has a continuing duty to monitor, and remove imprudent trust investments.

The employer must have a written down process and can no longer rely on large service providers. This would also include not relying on brokers or independent advisors (RIA) who sell products. This is the majority of the industry's business model. Most of these firms or individuals do not have a defined process.

So what is the Employer to do?

Employers should immediately undertake the following:

1. Your company must consider an Independent Consultant who has a defined investment process that can continually monitor the investments and be willing to be a co-fiduciary on the investments. They do not take revenue from the funds.
2. Update your current IPS that specifies procedures
3. Regularly review investments in the plan
4. Document investment review, (Morningstar and fund fact sheets will no longer be satisfactory).



If you are looking for an independent consultant

- who does not sell products;
- who has defined investment process;
- who has defined operational process;
- who will be your company advocate for a safer, more transparent, cost effective plan;
- who does investment monitoring ;
- who does investment education for employees, in addition to retirement education;
- who has access to every fund available.

Please call 203-210-7814 and tell us what you would like different in your plan!

Additional information: If you would like specific information on operational and investment best practices, please contact Granite Group Advisors. Granite Group provides vendor and mutual fund searches

Disclaimer: This brochure cannot be construed as tax, legal or investment advice. You should seek a qualified Erisa attorney for specific concerns on your plan.