

# PARTICIPANT-DIRECTED 404(c) PLANS

BASED ON REGULATIONS ISSUED IN 1992

## GUIDELINES FOR PLAN TRUSTEES TO BE RELIEVED OF SOME FIDUCIARY RESPONSIBILITY WHEN PARTICIPANTS ARE CHOOSING THEIR OWN INVESTMENTS

- BROAD RANGE OF INVESTMENT OPTIONS REQUIRED

Never less than 3 choices: conservative, moderate, and aggressive

More likely needed if participants cover diverse ages and/or income levels

- TRANSFERS COMMENSURATE WITH VOLATILITY OF INVESTMENTS

If only 3 options, all must be allowed to transfer at least quarterly

- MUST PROVIDE SUFFICIENT INFORMATION TO MAKE  
MEANINGFUL DECISIONS

“Education” is not required, but information is

- PARTICIPANTS MUST BE NOTIFIED THAT:

1) PLAN IS DESIGNED TO COMPLY WITH 404(c), and

2) PLAN FIDUCIARIES MAY BE RELIEVED FROM LIABILITY FOR  
ASSET PERFORMANCE

Enrollment meetings are a good time to provide this notice