

TRENDS AND ISSUES

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ARE PLAN ADMINISTRATORS PREPARED TO MEET THE NEW REGULATORY REQUIREMENTS?

RESULTS FROM THE TIAA-CREF 403(b) COMPLIANCE READINESS SURVEY

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EXECUTIVE SUMMARY

In July 2007, the IRS issued the first comprehensive guidance for 403(b) defined contribution pension plans in more than 40 years. This guidance had a major impact on the retirement savings market because many 501(c)(3) not-for-profit, educational, governmental, and religious organizations maintain 403(b) plans as part of their employee retirement benefit program. Most of the new regulatory changes took effect on January 1, 2009. Several of the new regulations have major consequences for 403(b) plan sponsors, requiring changes in both plan design and administration. Additional regulations on Form 5500 reporting have been issued by the Department of Labor (DOL) within the past two years that also impact 403(b) plan administration.

Plan administrators have had to respond quickly to meet these new compliance requirements and to understand changes in their fiduciary and administrative responsibilities. However, anecdotal evidence suggests that many not-for-profit organizations are not sufficiently prepared. To better understand the effect of the new regulations on plan compliance, the TIAA-CREF Institute contracted KRC Research to undertake a systematic survey of compliance readiness. The study, conducted over June and July of 2009, involved a telephone survey of more than 400 plan administrators at not-for-profit and governmental institutions with 403(b) plans across seven major market segments. The principal findings include:



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We thank Craig Porter for help in drafting the survey and KRC for administering the survey and collecting the results. The views are those of the authors and do not necessarily reflect the views of TIAA-CREF.

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- Nearly three-quarters (74 percent) of respondents believe they are fully compliant with the new IRS and DOL regulations. However, nearly half (45 percent) also acknowledge that they have difficulty simply understanding the regulations.
- The lack of confidence in understanding the new regulations is most pronounced around two issues—the new standard of compliance and evolving fiduciary responsibilities and sponsors’ readiness for annual plan audits (as part of an expanded ERISA reporting requirement to the federal government).
- Plan loans and hardship distributions are especially problematic. Few respondents appear to have the capability of coordinating loans and hardships through multiple third-party plan vendors and then monitoring total activity through a consolidated report. Coordinating this is critical to ensure that employees do not exceed loan limits, which might result in negative tax consequences for them.
- Only half of the institutions with 403(b) plans subject to DOL Form 5500 information reporting believe they are familiar with the associated requirements—a situation that could result in penalties for those plans.

BACKGROUND ON REGULATORY CHANGES

One of the most important regulatory changes affecting not-for-profit and governmental employers in recent years was the 2007 issuance of final regulations for retirement plans covered under Section 403(b) of the Internal Revenue Code (IRC). These new regulations replaced original regulations that were issued in 1964 and apply to all 403(b) plans, at least in part, including governmental and church plans, and also tax-deferred annuity (TDA) plans not subject to the Employee Retirement Income Security Act of 1974 (ERISA).¹ The new regulations updated and consolidated numerous changes that had been adopted over the years to the 1964 regulations and law affecting 403(b) plans and offered additional interpretive guidance for plan administrators. The main effect of the new regulations was to transform 403(b) plans from being primarily employee-controlled, tax-sheltered accounts into fully integrated plans in which the plan sponsor bears responsibility and liability for a broad range of factors. In doing so, the new regulations further diminish the distinction between 403(b) and 401(k) plans.

The new 403(b) regulations changed compliance requirements for:

- **Plan documents:** All sponsors of 403(b) plans, including most non-ERISA plans, are now required to maintain a written plan. Plans must include basic information on plan eligibility, benefits, distributions, limitations, and a list of contracts offered under the plan. The written plan may be a single document or a “paper clip” of several documents that describe the plan’s provisions.
- **Non-discrimination requirements:** Employer-funded 403(b) plans of tax-exempt employers must satisfy statutory non-discrimination requirements, including new controlled group rules. Non-discrimination requirements are designed to ensure that benefits in the plan are distributed equitably between high paid and non-high paid participants. The special safe-harbor rules that were available to 403(b) plans since 1989 were repealed by the final regulations.
- **Transfers:** Participant-directed asset transfers are generally limited to authorized fund sponsors that share information with the plan sponsor.
- **Distributions:** Participants requesting an in-service distribution must generally meet a “triggering event” such as disability, severance of employment, hardship, or attaining age 59½. The final regulations make it clear that vendors cannot rely on the employee for the information needed to process these transactions.

The regulations, while not creating new fiduciary responsibilities, nonetheless highlighted the importance of these responsibilities for plan administrators of plans subject to ERISA. The new regulations were originally scheduled to take effect on January 1, 2009, although the IRS extended the deadline of the requirement for a written plan to the end of 2009. The IRS did not extend the effective date of the regulations or other deadlines for operational compliance with the new 403(b) regulations. This means that plan sponsors should be operating in accordance with the new regulations throughout 2009, even though they have until December 2009 to finalize their written plans. Anecdotal evidence suggests that some plan sponsors thought they had until the end of 2009 to be fully compliant with the new regulations.

1 The Department of Labor (DOL) also has provided plan administrators with guidance on how the regulations affect the continued ERISA exemption for TDA plans.

In response to questions about the status of non-ERISA salary reduction-only plans, the DOL issued guidance at the same time as the IRS issued the final regulations which provides that these types of plan can retain their exemption from ERISA, if they meet certain safe harbor conditions. To qualify for ERISA exemption, however, the employer must not be making discretionary determinations, such as for those necessary to ensure that loans or hardship withdrawals satisfy the requirements of the final 403(b) regulations.

The combination of more stringent requirements for monitoring employee loans, hardships and other distribution transactions and the need to meet written plan requirements has made it more difficult for plans to maintain open-ended, multi-vendor plans. As a result, some institutions have undertaken a comprehensive review of their vendors and reduced the number to include only those with the necessary compliance controls in place.

Another significant change occurred in 2007 when regulations issued by the DOL provided that, starting with plan year 2009, ERISA 403(b) plans will be subject to the same Form 5500 (Annual Return/Report of Employee Benefit Plan) filing requirements as 401(a), 401(k) plans and private sector defined benefit plans.

Under the DOL regulations, large 403(b) plans² will generally be required to have their financial statements audited by an independent auditor beginning with the 2009 plan year. This is a significant administrative development that requires close coordination between plan sponsors and their providers. Most auditors use a combination of analytical procedures and testing of participant transactions to seek assurance that:

- The plan is generally operated in accordance with the terms specified in the plan document
- Employees are properly included (or excluded) in plan coverage and participation
- Distributions occurred for valid reasons and for the proper amount, and
- All assets are accounted for.

RESEARCH OVERVIEW

GOAL OF THE STUDY

Anecdotal evidence suggested that plan sponsors and administrators had significant uncertainty regarding their compliance with the new 403(b) regulations. This survey was designed to gauge how plan administrators were approaching their institutional compliance requirements; assess the status of compliance, including progress made; and better understand the ongoing challenges and barriers that plan sponsors faced in meeting regulations.

METHODOLOGY

KRC Research conducted a national telephone survey between June 25 and July 30, 2009, with more than 400 plan administrators at institutions offering 403(b) plans. The participating institutions spanned seven sectors serviced by 403(b) plan providers:

1. Public higher education
2. Private higher education
3. Public K-12 education
4. Private K-12 education
5. Healthcare providers and hospitals
6. Research or patient advocacy, and
7. Cultural or religious association or foundation.

² A large plan has more than 100 eligible participants at the beginning of the plan year.

The sample was drawn from lists of institutional clients of major plan vendors. Additional details of the methodology are included in the Appendix.

KEY FINDINGS

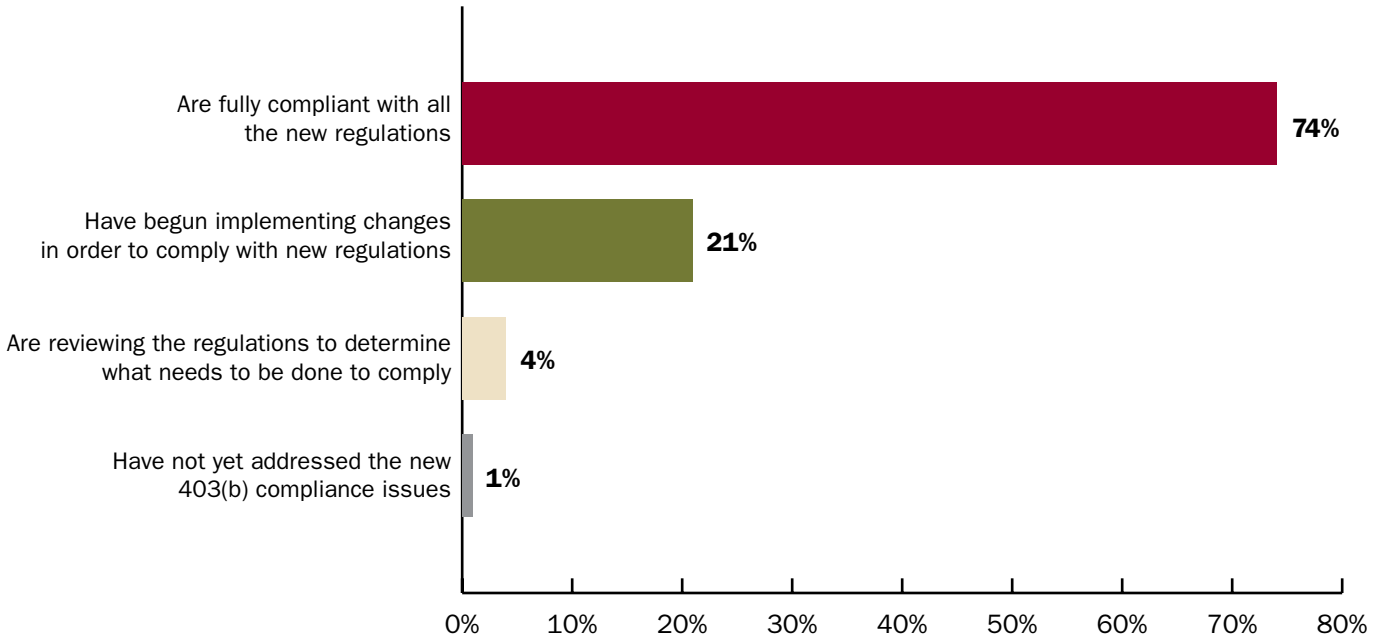
- Plan sponsors and administrators have been hard at work on complying with the new 403(b) regulations. Many not-for-profit institutions offering 403(b) retirement plans report being fully compliant with *all* the new regulations introduced by the IRS. About three-quarters (74 percent) of respondents report they are already fully compliant. Among those still working on compliance, most (89 percent) say they expect to be fully compliant by the end of 2009.
- Against this sign of solid progress, there were a number of barriers plan administrators cited to becoming compliant. Almost half (45 percent) say understanding the regulations has been a main challenge — the most frequent response given.
 - Of the four primary compliance areas explored, written plan documentation and unfamiliarity with ERISA fiduciary responsibility pose the greatest challenge—due to difficulty understanding the regulations and ERISA fiduciary requirements.
 - One-quarter say written plan documentation has been the greatest challenge to their institution because of the difficulty understanding the new laws and requirements and just making sure everything has been written/setup properly.
 - About one-quarter (23 percent) say fiduciary responsibility has been their greatest challenge, mainly pointing to trouble understanding the requirements.
 - Only half of those subject to Form 5500 reporting say they are familiar with the associated requirements, and as many as three in ten (29 percent) say they have heard of them, but are not at all familiar with them.
- Many employers are relying on outside resources to understand the regulations and to complete the work needed to bring their plans into full compliance. Employers are utilizing a variety of consultants, attorneys, plan providers, and Third Party Administrators (TPAs) as advisors in addressing issues of compliance with the new 403(b) regulations.

SURVEY RESULTS

OVERALL STATUS OF COMPLIANCE WITH THE NEW 403(b) RETIREMENT PLAN REGULATIONS

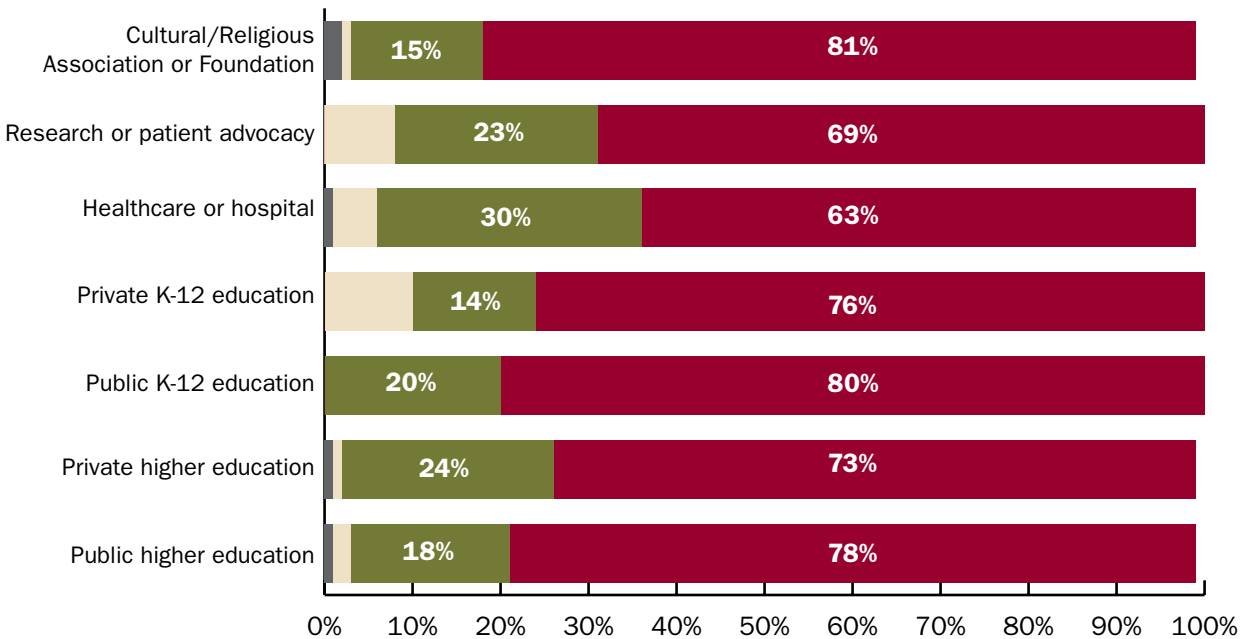
The new regulations increase compliance requirements for institutions that sponsor a 403(b). In addition, the amount of time between issuance of the final regulations and the new compliance deadline was fairly short. Figure 1 shows that for the administrators in our survey, about 74 percent said they were fully compliant with *all* the new regulations. Of those reporting they are not fully compliant, the overwhelming majority have begun implementing changes that will bring them into full compliance.

FIGURE 1. OVERALL COMPLIANCE RATES



Among the various types of institutions, Cultural/Religious associations reported the highest overall compliance rates, followed closely by Public K-12 Education and Public Higher Education (Figure 2). The Healthcare Sector had the lowest overall compliance rates, with Research and Patient Advocacy and Private Higher Education also lagging in meeting the compliance requirements.

FIGURE 2. OVERALL COMPLIANCE RATES BY SECTOR

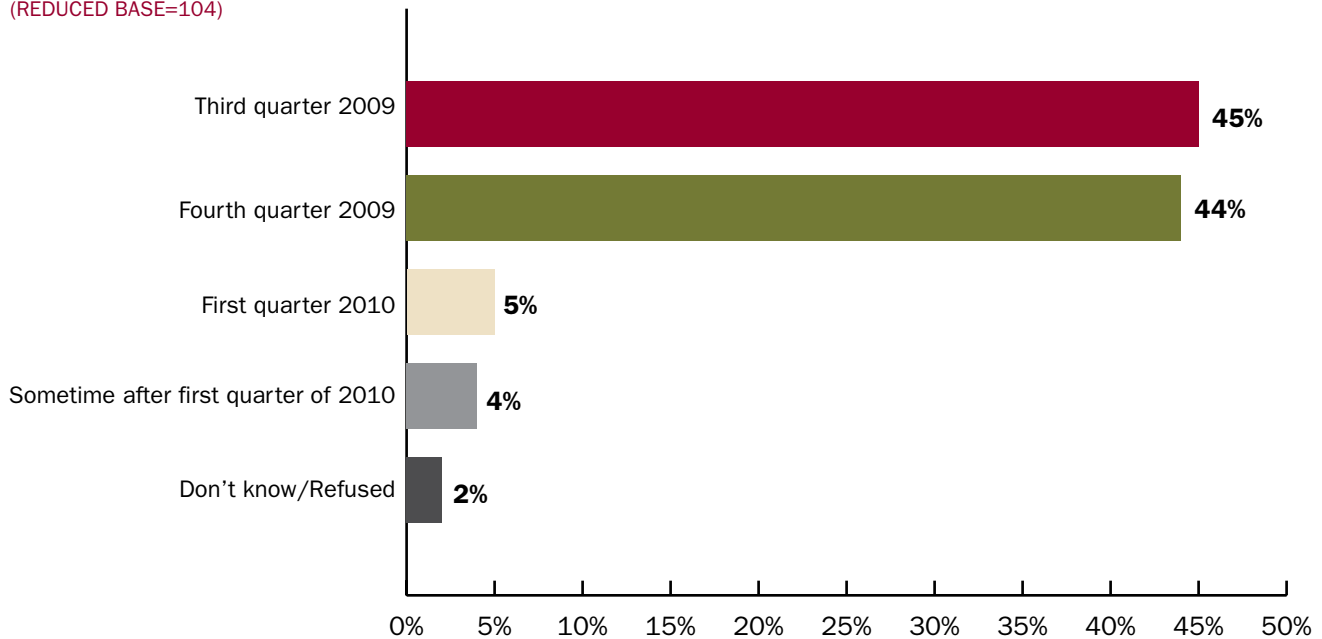


Have not yet addressed the new 403(b) compliance issues
 Are reviewing the regulations to determine what needs to be done to comply
 Have begun implementing changes in order to comply with new regulations
 Are fully compliant with all new regulations

Given that plan administrators were originally required to have been fully compliant by January 1, 2009, it is not clear whether plan administrators who are not yet fully compliant are still working on assembling plan documents or other aspects of compliance. As shown in Figure 3, about 89 percent of the non-compliant survey respondents stated they expected to be in full compliance by December 2009. Of the remaining 11 percent of institutions, about half expected to be compliant by the end of the first quarter of 2010, about one-third expected to finish sometime in 2010, and about one-fifth did not know when they would be compliant.

FIGURE 3. EXPECTED COMPLIANCE TIMELINE FOR NON-FULLY COMPLIANT INSTITUTIONS

(REDUCED BASE=104)



Many survey participants noted a fair amount of frustration over how to interpret the new regulations and understanding exactly what was required to be considered fully compliant. Almost half (45 percent) of respondents reported having difficulty simply understanding the regulations. Around one in four noted they also had problems getting guidance from plan providers. Similar numbers noted challenges in finding appropriate external guidance or the budget needed to ensure compliance. About one in five cited difficulty in finding appropriate in-house staff to ensure compliance. Comments regarding the “challenges” respondents encountered in understanding the new regulations included:

- “It was not written on the laymen’s level. It was written for those with law degrees.”
- “Just making sure we are in compliance. They give us all the information and make us figure it out ourselves and we are not the experts.”
- “It’s the many intricacies that have to be adjusted, like understanding and formally documenting proper distribution methods to retirees, for instance.”
- “The difficulty was the interpretation; the language of the regulations was difficult to understand. There was very little guidance from the IRS.”
- “It’s just complex, long, difficult to understand. Costly, in terms of time and resources needed to write and administer it.”
- “Just getting to know what the real requirements are has been a real pain. The other thing is trying to get information from the provider; getting them up to speed so they can comply and we can comply.”

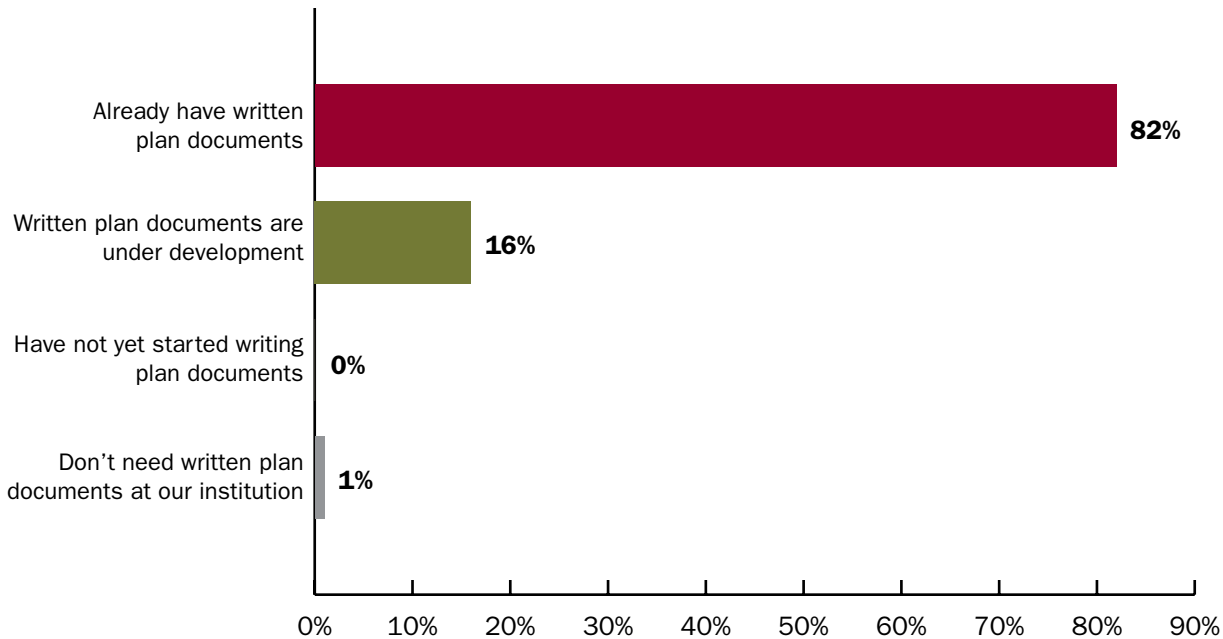
PRIMARY COMPLIANCE AREAS AND ISSUES FOR THE NEW 403(b) RETIREMENT PLAN REGULATIONS

As noted in the introduction, the new IRS regulations increased administrative and compliance burdens on plan sponsors as well as increased their awareness of their fiduciary responsibilities for those plans subject to ERISA. In doing so, the regulations brought 403(b) plans closer in line with qualified defined contribution (DC) plans. To gain a better understanding of the issues plan administrators are facing, we asked survey participants to give us feedback on the four primary areas of compliance in the new IRS and DOL regulations: (1) Written plan documentation, (2) Loan and hardship administration, (3) Form 5500 reporting, and (4) ERISA Fiduciary responsibility. Taken together, these four areas represent the most significant increases in regulatory requirements facing 403(b) plan administrators.

1. Written Plan Documentation

The final 403(b) regulations require all 403(b) plans be in writing by January 1, 2009.³ This written plan may be a single document or a combination of documents that are bundled together. However, where a plan has multiple vendors, the IRS envisions a single document. The January 1 deadline was subsequently extended to December 31, 2009. The penalty for failing to meet the deadline is steep: Any annuity contract or custodial account purchased by the employer will not qualify as a 403(b) contract, and contributions will be fully taxable. Plan documents must include basic plan provisions covering plan eligibility and benefits, applicable plan limits, and a list of the contracts offered under the plan. As shown in Figure 4, most respondents (82 percent) report they already have written plan documents; 16 percent say their written plan is under development; and one percent claim that they do not need a written plan document at their institution.

FIGURE 4. WRITTEN PLAN DOCUMENT COMPLIANCE

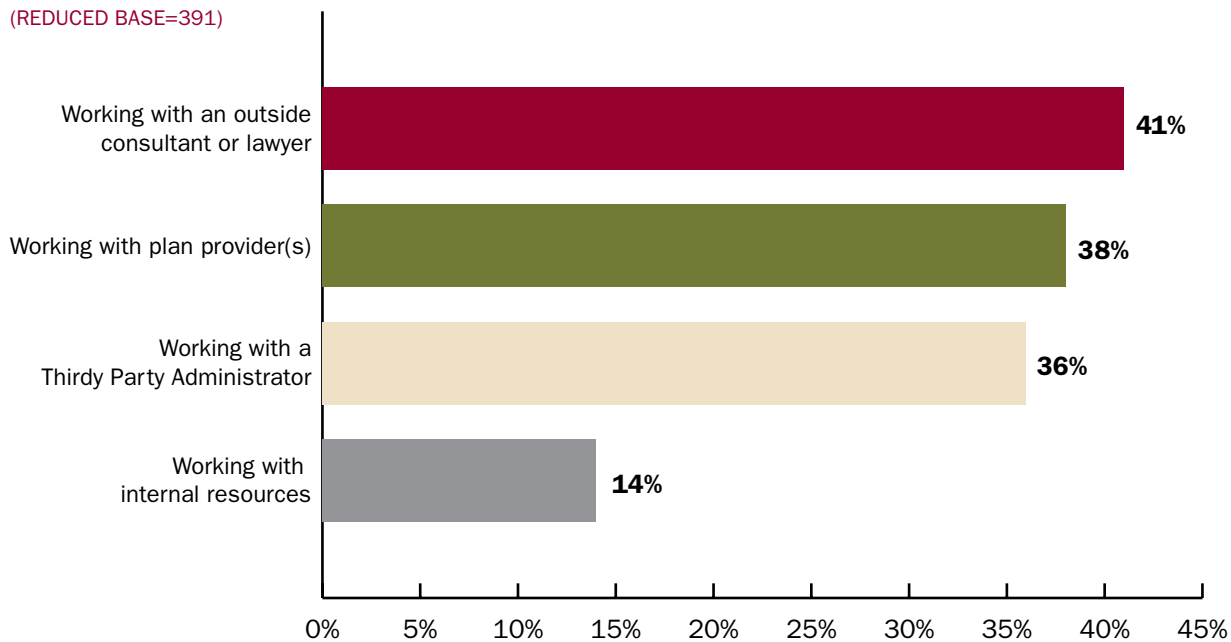


As shown in Figure 5, plan administrators who report already having completed plan documents in place, or are in the process of doing so, have used a variety of resources to develop the written plan document. About one in seven (14 percent) have been relying solely on internal resources. About two in five have enlisted the help of an outside consultant or lawyer (41 percent) or their plan provider (38 percent). More than one-third (36 percent) have been working with a Third-Party Administrator (TPA).

³ In particular, there are no exceptions for governmental, church, or non-ERISA TDA plans.

FIGURE 5. WRITTEN PLAN DEVELOPMENT RESOURCES

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The initial tight deadline for creating a written plan document, along with the severe penalties for failure to comply, created numerous challenges for plan administrators. Specific comments on the challenges of meeting the written plan document requirement include:

- “Communicating the changes with our employees. We took the number of vendors from 155 down to 12.”
- “I had to do a lot of re-writes [and] had to hire an attorney to be sure the written plan documents were in compliance.”
- “To make sure that it incorporates the features, benefits, & attributes that we would like it to have.”
- “The IRS made changes while we were working on documentation.”

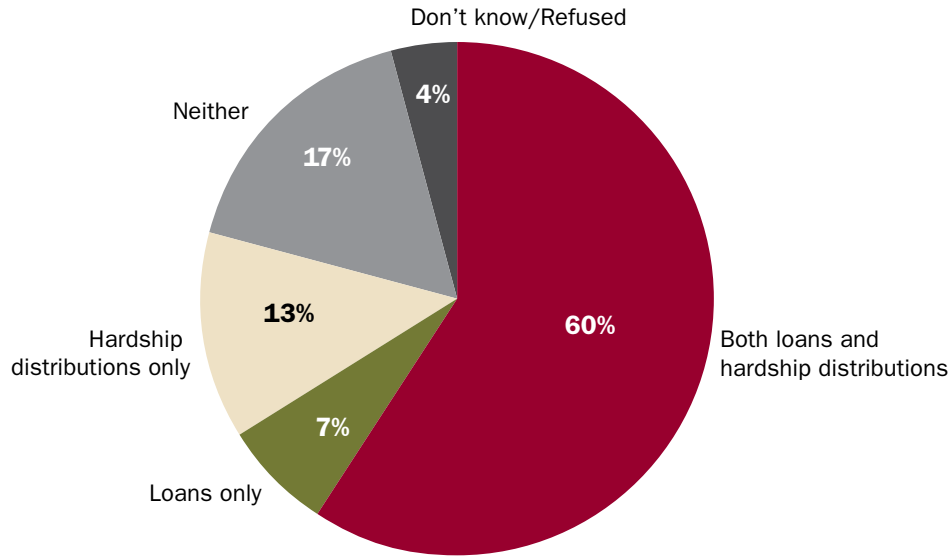
2. Loan and Hardship Administration

Under guidance that existed prior to the final 403(b) regulations, plan sponsors were letting employees determine if they were eligible for a plan loan or self-certify that they were eligible for a hardship distribution. The new regulations make it clear that employers may *not* allocate responsibility for determining eligibility for loans or hardship distributions to participants because employees do not have the necessary expertise or objectivity for making these decisions. The new regulations place the burdens of managing loans and hardship distributions on employers. The regulations require that:

- Written plan documentation coordinates the responsibilities of the employer and the financial institutions issuing the contracts under the plan or other party who has the administrative responsibility such as a TPA to identify who has responsibility for statutory and regulatory compliance.
- Employers remain responsible for determining whether each loan complies with plan loan rules and the Internal Revenue Code limits.
- Employers are responsible for determining whether or not employees requesting hardship distributions have incurred an “immediate and heavy financial need” that cannot reasonably be satisfied with non-plan resources. While employers may allocate this responsibility to a third party (such as a plan vendor or record keeper), it cannot be allocated to participants.

Overall, the new regulations significantly shift the burdens of administering loans and hardship distributions to employers. However, employers are not required to offer either loans or hardships as part of the plan design and employers may want to consider eliminating them, if currently offered. Figure 6 shows that eight in ten survey respondents state that they allow plan participants to take loans and/or hardship withdrawals, with 60 percent allowing both.

FIGURE 6. LOANS AND HARDSHIP DISTRIBUTION ALLOWANCES



Employers utilizing multiple plan providers need to coordinate and track loans and/or hardship withdrawals among those providers. Figure 7 shows that about half of those allowing loans and/or hardship withdrawals (49 percent) have just one plan provider to track and therefore do not need to generate a summary report aggregating data across all providers. Of the remaining employers, about one in seven employers either receive one summary report for all providers or receive one summary report from each provider. A very small proportion (two percent) restrict loans and hardship distributions to one provider.

FIGURE 7. TRACKING LOANS AND HARDSHIP DISTRIBUTIONS

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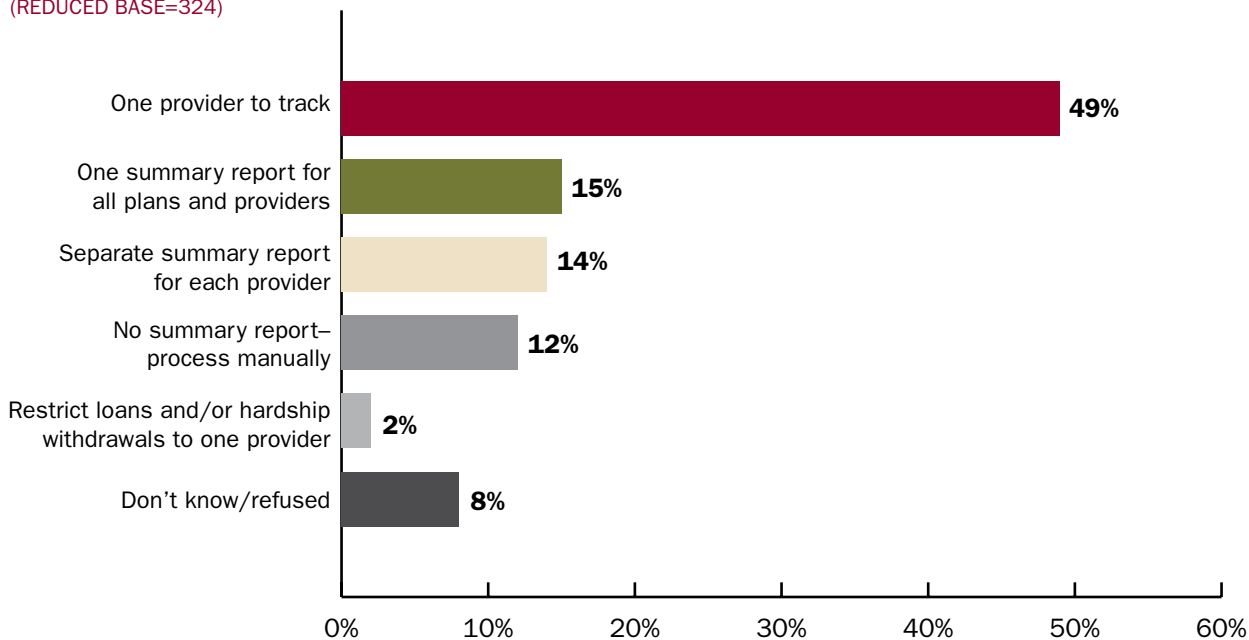
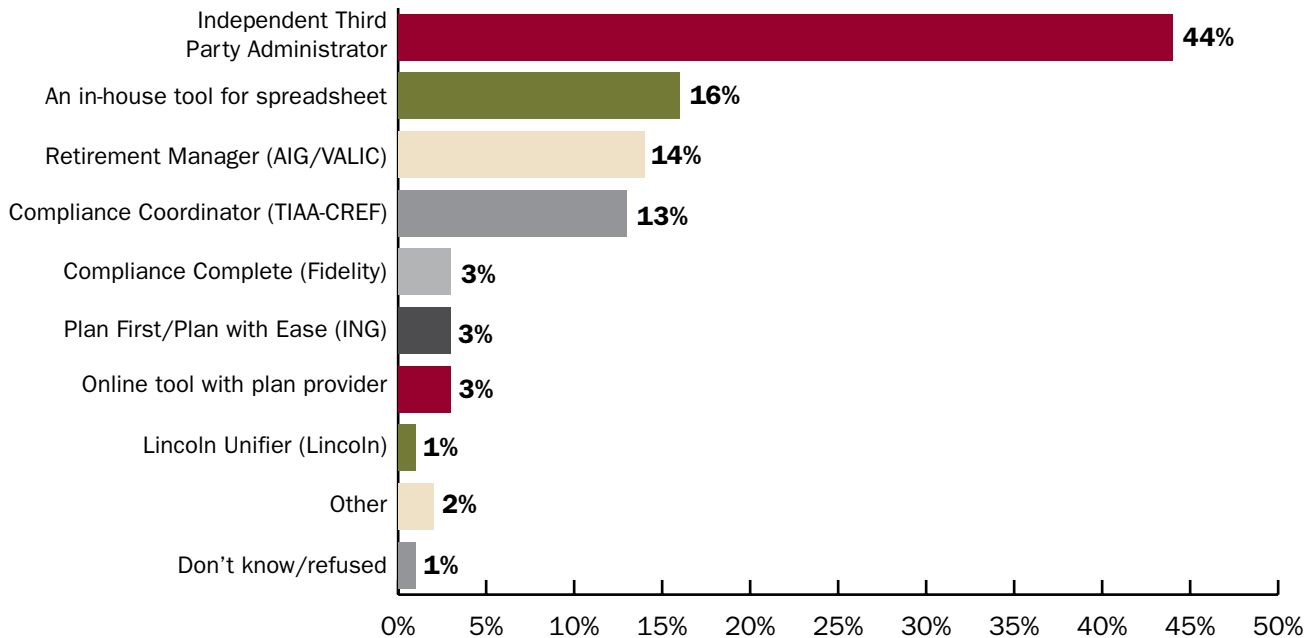


Figure 8 indicates that among those that can generate a summary report more than two in five (44 percent) report using an independent TPA. About one in three (34 percent total) use a tool provided by one of several plan providers, while one in six (16 percent) generated summary reports using internal tools or spreadsheets.

FIGURE 8. SOURCES FOR GENERATING SUMMARY REPORTS



In summary, the changes to plan loans and hardship distributions have significantly shifted regulatory responsibilities onto employers and plan administrators. Specific comments on the challenges in this area include:

- “I have too many vendors. Nothing else, just too many fingers in the cookie jar.”
- “Coordination of information between the TPA, plan sponsor, & employee.”
- “Bringing the companies online in order to share data through a valid electronic mechanism. We have three current [vendors] that are compliant electronically and the rest aren’t compliant electronically, and thousands of employees that aren’t happy with that. The employees aren’t happy that we are involved in their ‘business.’”
- “The retired employees can’t access the retirement manager because they’re separated employees and don’t have access to the finance tools, so the retirement manager has to do it all.”
- “Just because of all the information sharing and confusion among vendors.”
- “We have two separate plans. It requires us to go in and manually collect data from two plans so we have to make sure we have all of their loan information and loans outstanding available. That is somewhat difficult to keep up with manually.”
- “We had nine providers and had trouble with the TPA to track them.”

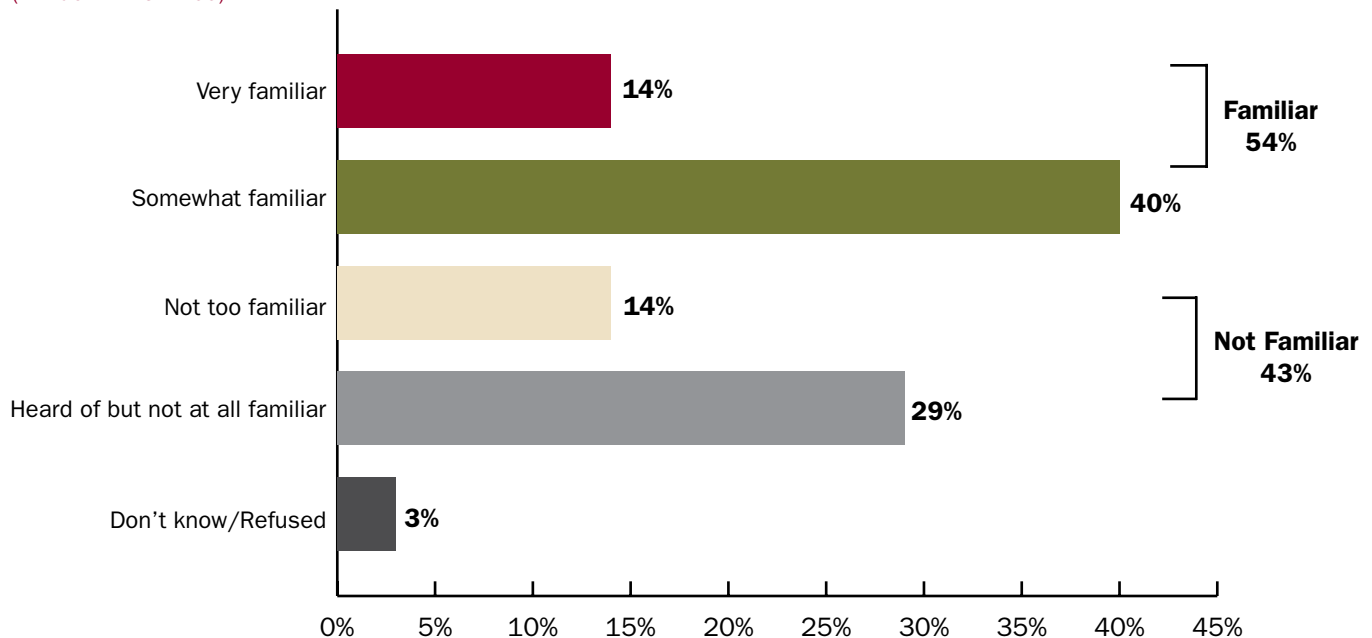
3. Form 5500 Reporting

Another significant regulatory change also occurred in 2007 when regulations issued by the DOL provided that, starting with reporting for plan years beginning in 2009, 403(b) plans subject to ERISA will be subject to the same Form 5500 (Annual Return/Report of Employee Benefit Plan) filing requirements as the more common 401(k) plans. Further, large 403(b) plans (e.g., with more than 100 eligible participants at the beginning of the plan year) will generally be required to have their financial statements audited by an independent auditor beginning with the 2009 plan year. This is a significant administrative development that requires close coordination between plan sponsors and their providers. Most auditors use a combination of analytical procedures and testing of participant transactions to seek assurance that a plan generally operated in accordance with its terms, participants were properly included or excluded, distributions occurred for valid reasons and for the proper amount, and all assets were captured.

Among the participants in our survey, about one in four (27 percent) stated they were not subject to Form 5500 reporting, with the majority of these exempt organizations in the public K-12 or higher education sectors. For those who are subject to the new form 5500 reporting requirements, familiarity with new regulations is moderate. Figure 9 shows that more than half (54 percent) of the respondents say they are familiar with these requirements. As many as three in ten (29 percent) say they have heard of the requirements, but are not at all familiar with them.

FIGURE 9. FAMILIARITY WITH FORM 5500 REPORTING REQUIREMENTS

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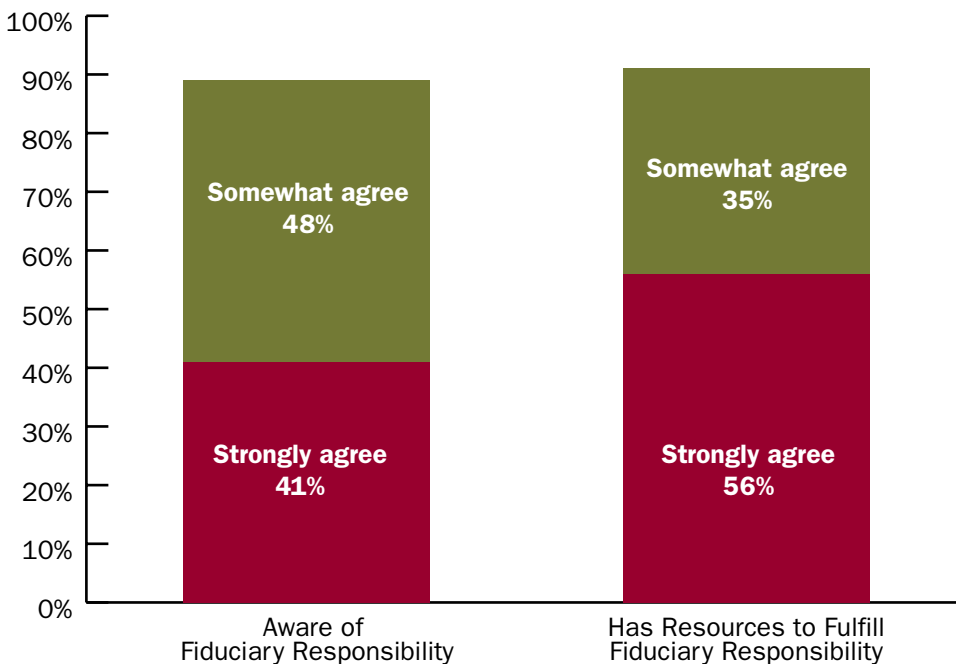
One source of uncertainty for employers is in knowing what type of Form 5500 report to file. Among survey respondents subject to reporting, more than half (54 percent) don't know whether they are required to file the long or short version of Form 5500. About one-quarter (26 percent) expect to file the long-form version and almost one-fifth (19 percent) the short-form version of Form 5500. Comments on other challenges included:

- “We weren’t able to get clear information about how to file [and] whether we need to have an audit. If not, how do we fill out the form?”
- “The government really didn’t tell us in the beginning, and everything keeps changing, and we really didn’t know what we were doing, because it is a legal thing we have to do, and there is very little direction.”
- “Having to try to get information that we don’t have. All employees own their benefits and now we have to try to gather information that we have absolutely no access to. Have to try to get employees to give us the info, which in these times, is not always going to be easy.”
- “The information to collect on the plan participants has made it harder. It is very time consuming, the entire document is very time consuming.”

4. Fiduciary Responsibility

Plan sponsors of 403(b) plans subject to ERISA increasingly understand that they must act in the best interest of participating employees as they administer the plan and oversee investments. In addition to maintaining a written plan document, employers are required to coordinate compliance with all IRS plan limitations among all plan providers.⁴ Employers now have compliance responsibility for contributions, loans, hardship distributions, transfers, and distributions. In addition, it is likely in the best interest of employers to develop an investment policy statement that provides guidelines for plan investment options, and to form an investment committee that regularly reviews investment performance, plan expenses, and other issues such as employee financial literacy.

FIGURE 10. FIDUCIARY RESPONSIBILITY AWARENESS AND RESOURCES (CONCERNING INVESTMENTS)



⁴ In the past, employers only had to ensure compliance with annual contribution limits.

Employers must understand and have the resources to fulfill their fiduciary responsibilities. Figure 10 shows that the most survey respondents state they are aware of the fiduciary responsibility required of plan administrators (89 percent) and believe they have the resources to fulfill these new responsibilities (91 percent). With respect to investment policy and procedures, more than half (56 percent) of respondents have an investment policy statement that articulates the goal of their overall plan and selection of investment options. About six in ten (62 percent) say they perform an annual investment review of their plan's investment menu.

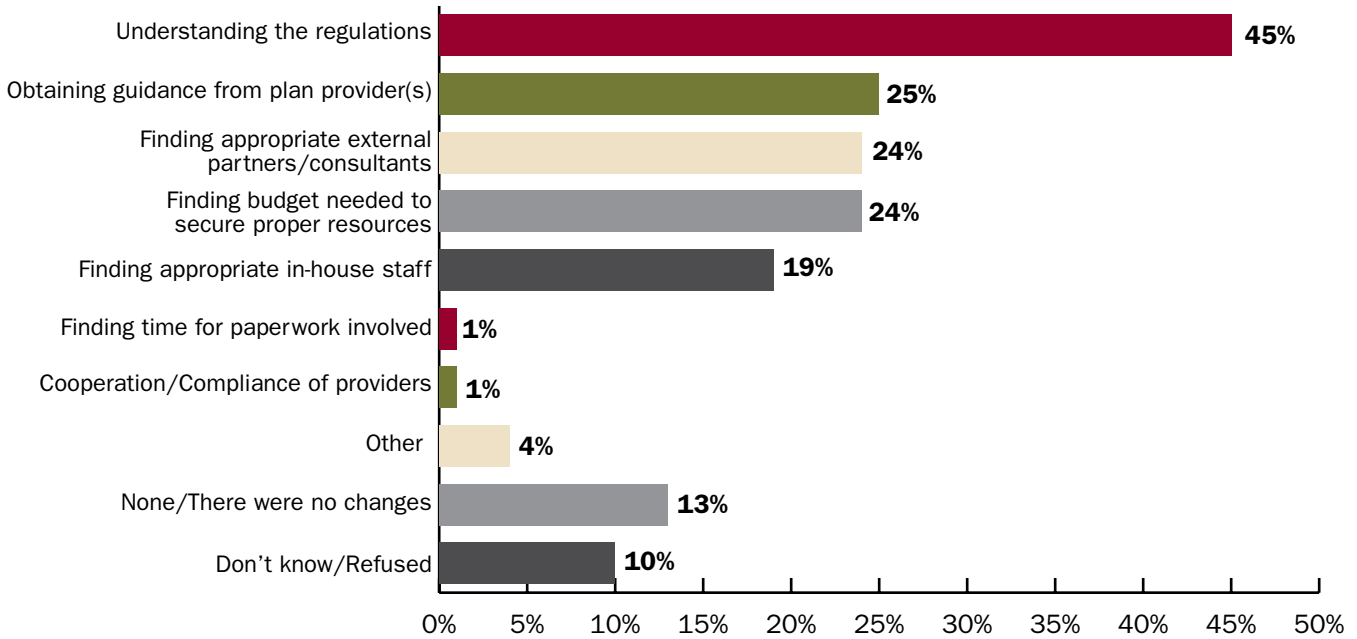
The new fiduciary responsibilities specified in the regulations can pose substantial challenges for plan administrators. Comments on these challenges included:

- “Just knowing what fiduciary responsibility entails, knowing what or how much we are responsible for, versus the vendors.”
- “The lack of information. The changes came about somewhat quickly and we were trying to comply and understand at the same time. The guidelines were not out until March or April and we were required to have completed by December.”
- “We were given a mandate without clear guidelines. We have many different levels and organizations, it was difficult to decipher the guidelines and incorporate it to cover all organizations.”
- “Just trying to understand what it requires. If it were in plain English, it would be a lot easier.”
- “Because you had so many vendors saying that we didn't have fiduciary responsibility and lawyers saying we did.”
- “Unfortunately it has caused so much concern, it might get dropped all together and that would not be good for the employees.”
- “Understanding all the regulations. The provider helped us get through it. They pretty much took over the responsibility. They said that they would take care of it since they are our only provider.”

ONGOING COMPLIANCE CHALLENGES WITH THE NEW 403(b) REGULATIONS

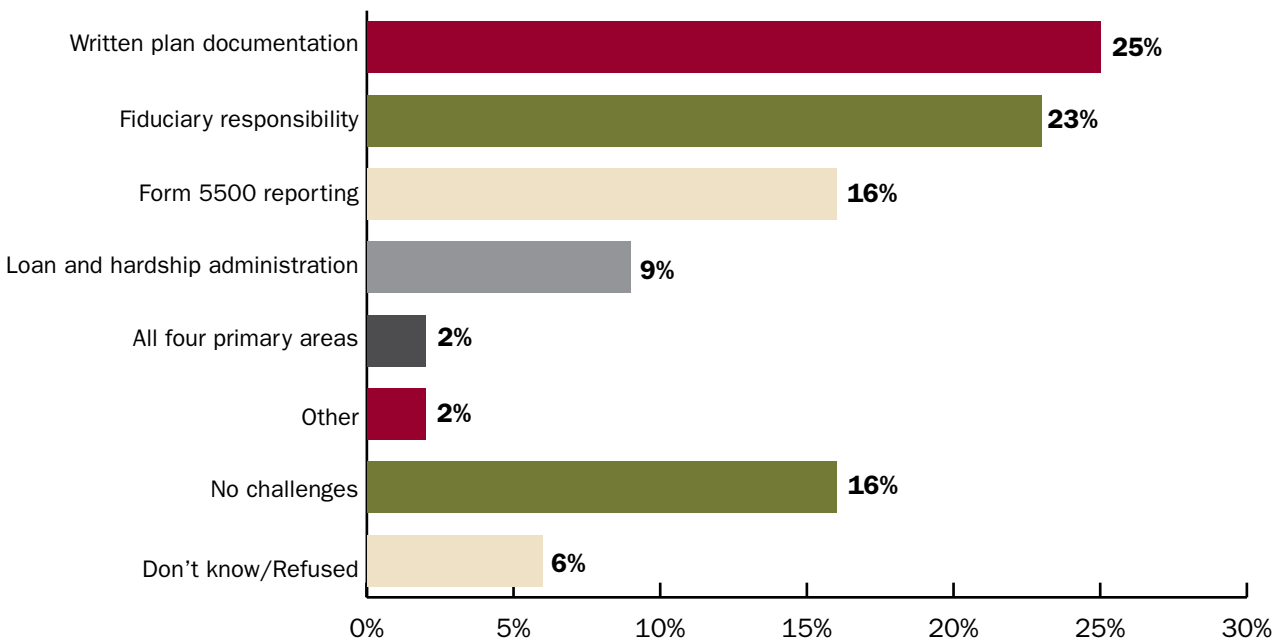
The new 403(b) regulations result in greater employer accountability for plan design, plan administration, and compliance responsibility. In doing so, the new regulations increase compliance burdens on employers and present ongoing challenges for plan sponsors and administrators. In exploring what plan administrators regarded as the biggest challenges to the new regulations, the survey found that simply understanding the regulations is the most common hurdle—almost half (45 percent) of respondents report it as a main challenge, as illustrated in Figure 11. Related to this issue, about one in four report obtaining plan guidance from plan providers (25 percent) or finding appropriate external partners or consultants to help with the compliance (24 percent) as a major challenge. Securing resources is also a challenge—about one in four cite securing a budget as an issue (24 percent) and one in five notes finding the right in-house staff as a challenge. In contrast, about one in eight report no problems or challenges (13 percent).

FIGURE 11. COMPLIANCE CHALLENGES OF NEW 403(B) REGULATIONS



Specific areas of the new regulations present specific challenges to plan administrators. Figure 12 shows that about one in four respondents view written plan documentation (25 percent) and new fiduciary responsibilities (23 percent) as their greatest challenges. Only about one in ten thought administering loans and hardship distributions were most challenging. About one in six cited either Form 5500 reporting or no challenges. The lower proportions for these latter two areas may be due lack of experience or because many respondents do not believe they are subject to compliance in these areas.

FIGURE 12. PRIMARY COMPLIANCE AREAS: BIGGEST CHALLENGES



When asked to provide specific challenges in these areas, those surveyed found three areas challenging for a similar reason—the difficulty in understanding the new laws and the requirements. For those reporting fiduciary responsibility as their main challenge, almost half (49 percent) cite understanding the rules as the primary issue. About 42 percent of those citing Form 5500 reporting and about 33 percent of respondents citing written plan documentation also cite understanding the regulations as the primary issue. By contrast, only four percent of those citing loans and hardship distributions feel that understanding the regulations is the chief issue. For this last group, coordination of information among plan vendors (28 percent) is the primary issue. Specific comments about overall compliance included:

- “Having multiple fiduciaries involved was the challenge overall.”
- “Lack of internal resources. Finding the time to do what we need to do, such as, the reviews and tracking things.”
- “The organization’s information sharing, tracking, and follow-up is out of my control. It is also out of full control of the board.”
- “Our organization needs to define fiduciary responsibility for the plan: Is it a finance department or human resources responsibility or a combination of both?”

APPENDIX

SURVEY METHODOLOGY

Respondent criteria:

To qualify for this survey, respondents had to meet the following criteria:

- Work in finance, human resources, payroll or benefits administration at a not-for-profit institution that offers a 403(b) plan;
- Be at least somewhat involved in decisions regarding the administration and oversight of the retirement plans offered to employees at their institution; and,
- Be familiar with their institution’s current status regarding compliance with the new 403(b) regulations overall.

Sample:

Interviews were stratified across seven core business sectors.

SECTOR	SAMPLE SIZE
Public higher education	63
Private higher education	48
Public K-12 education	60
Private K-12 education	52
Healthcare and hospital	61
Research or patient advocacy	56
Cultural/Religious/Foundation/Association	61
Total	401

Quotas were set in advance to ensure:

- 50 complete interviews with institutions in each of the seven core business segments;
- No more than approximately ten percent of complete interviews with institutions with fewer than 100 employees eligible to participate in their 403(b) plan or plans.
- All segments were weighted to be given equal representation in the overall sample.

Target audience definitions:

AUDIENCE	DEFINITION
Total	Overall sample of non-profit plan administrators at institutions offering 403(b) plans.
Public higher education	Public colleges and universities
Private higher education	Private colleges and universities
Public K-12 education	Public schools, K-12
Private K-12 education	Private schools, K-12
Healthcare and hospital	Hospitals, healthcare services organizations, clinics. Note that hospitals affiliated with colleges/universities are considered educational institutions in the sample.
Research or patient advocacy	Organizations whose primary mission is engaging in the pursuit of scientific research: federally funded research and development centers (FFRDC), organizations dedicated to the treatment or cure of a condition or patient advocacy; organizations dedicated to a problem or solution (e.g., hunger, poverty, etc.).
Cultural	Institutions that specialize in the performing arts, fine arts, etc; museums; botanical gardens; historical societies.
Religious	Religious organizations; religious institutions including churches, temples, synagogues, etc. Note that religious schools or religious institutions affiliated with schools are considered educational institutions in the sample.
Foundation/Association	Foundations, trade associations, professional associations.

BIOS

David P. Richardson is Principal Research Fellow at the TIAA-CREF Institute. Prior to joining the Institute, he served as Senior Economist for Public Finance at the White House Council of Economic Advisers and held the New York Life Chair in Risk Management and Insurance at Georgia State University. Previously, Dr. Richardson worked as a Financial Economist in the Office of Tax Policy at the U.S. Treasury, and was an Assistant Professor in the Department of Economics at Davidson College.

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