

# Fiduciary Guidance & Support Case Study



## Plan Sponsor Demographics

- Industry- Real Estate
- Plan type- 401(k)
- Assets- \$14 Million
- Participants- 1300

## Summary:

*The following is a case study summary of a retirement plan sponsor using XGS Connect to successfully navigate a fiduciary payroll and contribution error. After a critical payroll system error, the plan sponsor was looking for guidance to correct the error, reimburse participants, and maintain his/her status as a responsible fiduciary.*

## Background Information:

- Multiple company locations throughout the US, with employees frequently moving from one location to another
- Experienced an unexpected and critical payroll system error with its current service provider, where participants' pay-period contributions defaulted to zero as a result of an incorrect payroll transfer
- Potential DOL involvement because legal and fiduciary complexities between service provider and participants

## Strategy:

- Identify and isolate those effected by the error
- Help negotiate the monetary terms in favor of the plan sponsor
- Establish and verify new safeguards
- Coordinate with service provider to conduct a five-year look-back

## Plan Sponsor Objectives:

- Determine corrective action to fix the system's error
- Minimize expenditures and install safeguards
- Ensure affected plan participant losses from the system's error are returned and properly communicated to avoid potential blowback

## Connection Results:

- Negotiated 90% of the damages be paid by the provider, not the client
- Reduced outside legal fees at no cost
- Participants were informed of the error and reimbursed for any losses
- Documented and reported corrections to DOL, resulting in no repercussions

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