



Robin Solomon Speaks to PlanSponsor Magazine about Safe Harbors

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September 19, 2019

IPB partner Robin Solomon was interviewed by PlanSponsor magazine for the September 18 article, "What Safe Harbors Are Available to Retirement Plan Sponsors?" The article explains various ERISA safe harbors available to protect fiduciaries from liability, such as Section 404(c) and QDIAs, as well as the timeline for depositing employee contributions to the plan.

'A QDIA safe harbor protects employers from liability when participant assets are invested in a default fund, says Robin Solomon, partner at Ivins, Phillips & Barker. "A QDIA safe harbor offers protection for fiduciaries with respect to the selection of a default investment in the plan," she explains.'

Solomon also addressed a common misconception regarding the fiduciary obligation to deposit employee contributions to the trust in a timely manner. She explained that there is no safe harbor period for large plans with 100 or more participants.

[T]he Department of Labor offers a seven-day safe harbor for depositing these contributions; however this is only limited to small plans with fewer than 100 participants, says Solomon.

Larger plans are allowed [to] submit contributions within 15 business days, however it's important to know that this is ... not a safe harbor, she adds. If a plan sponsor can deposit these contributions at any point before the 15 business days, it is required to do so.

"If the employer generally can segregate employee contributions within three days, the Labor Department will expect these employee contributions to be deposited within three days every payroll," Solomon clarifies.'