

If the Qualified Default Investment Alternatives (QDIA) rules are satisfied, plan fiduciaries may not be liable for losses sustained by participants from the investment of their accounts in a QDIA.



ASSESS

Determine if the process used to select the plan's current default fund meets QDIA guidance.

Key Considerations:

- ✓ Plan objectives
- ✓ Participant needs
- ✓ Recordkeeping services vs. asset management
- ✓ Selection process documentation



RESEARCH AND EVALUATE

Collect data on available providers and QDIA types to determine the best match for your plan and participants.

Key Considerations:

- ✓ Available QDIA Types: target-date funds, risk-based funds, managed accounts
- ✓ Proprietary vs. Non-proprietary QDIAs
- ✓ Third-party resources to be used for QDIA research, analysis and selection



SELECT

Identify the most appropriate investment to serve as the plan's QDIA.

Key Considerations:

- ✓ Alignment of plan objective and QDIA approach
- ✓ Participant demographics and behaviors
- ✓ Investment strategy, risk and performance
- ✓ Fees and expenses



IMPLEMENT

Choose an implementation method that will best serve the plan and its participants.

Key Considerations:

- ✓ Implementation methods: re-enrollment vs. single fund replacement/addition
- ✓ Available participant communications materials, tools and resources



MONITOR

Document changing needs or demographics, confirm satisfaction of relevant criteria and periodically re-evaluate QDIA selection process.

Key Considerations:

- ✓ QDIA evaluation standards
- ✓ Evaluation and reporting frequency
- ✓ Reporting responsibility

This material has been prepared for educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice.