

Know Your Retirement Plan Advisor

October 2018



Technical Title	Registered Representative	3(21) Limited Scope Advisor	3(38) Designated Investment Manager
Commonly Known Titles	Account Executive, Broker, Financial Advisor, Financial Consultant, Financial Professional, Insurance Agent, Relationship Manager, Retirement Planner, Securities Broker, Stockbroker, Vice President	Financial Advisor, Financial Professional Investment Advisor, Investment Advisor Representative (IAR), Retirement Plan Advisor, Retirement Plan Consultant, Retirement Planner, Wealth Advisor, Wealth Manager	Fiduciary Investment Advisor, Fiduciary Investment Manager, Financial Advisor, Financial Professional Investment Advisor, Investment Advisor Representative (IAR), Investment Manager, Retirement Plan Advisor, Retirement Plan Consultant, Wealth Advisor, Wealth Manager
Can they accept commissions or hidden fees?	Yes	No	No
Do they act as a fiduciary?	No	Yes, but it is shared with sponsor	Yes
Additional Comments	Many registered representatives receive incentives for selling certain investment products or recommending certain vendors. Be cautious when using this type of advisor for a retirement plan as it could result in excessive fees or biased advice.	These advisors are referred to as “co-fiduciaries” since they only share in the fiduciary responsibility pertaining to plan investments. The ultimate decision for investments rests with the employer, so the liability does, too.	Working with a 3(38) advisor allows employers to transfer the highest level of investment liability allowed under ERISA ¹ . Investment managers make the investment decision, so they are ultimately liable for them.

¹ Employee Retirement Income Security Act of 1974.