

Division of Responsibilities

Vestwell supports your business by making it easier for you to access and implement a retirement plan, including everything from onboarding to ongoing administration and compliance. That said, overseeing a retirement plan is a team sport, with a division of responsibility across the Plan Sponsor, Advisor, and Vestwell. Since your Advisor is serving as the Plan’s investment fiduciary – either as an investment Advisor or investment manager – Vestwell’s role is limited to recordkeeping, administration, and providing a streamlined technology platform. In case you’re wondering how it all fits together, here’s a breakdown of the primary responsibilities. More specifics about Vestwell’s responsibilities are explained in our Plan Services Agreement (“PSA”).

Activity	Vestwell	Advisor	Plan Sponsor	Notes
Initial Consultation				
Plan document review	Yes			Vestwell performs a cursory review of existing Plan documents to give suggestions about potential modifications that may be needed to make the Plan suitable for our platform. At this stage, we will also address observed compliance issues, and we expect the Plan Sponsor to inform us of any prior or unresolved compliance issues and whether it has not been operating the Plan consistently with the Plan documents.
Cost illustrations of different Plan types and designs	Yes			We can prepare a side-by-side comparison of the costs to Plan Sponsors of operating Plans with different features. There may be an additional fee for this service depending on the level of complexity.
Plan Onboarding to the Vestwell Platform				
Plan design review and document preparation	Yes			For Plan conversions to our platform, we will review the existing design and, if appropriate, suggest ways to streamline the Plan’s operation. For new Plans, we will prepare Plan documents for the Sponsor’s review and approval.

Obtain appropriate fidelity bond	Yes, Vestwell is properly insured	Yes, if it will be the investment fiduciary	Yes	All individuals who “handle plan assets” must obtain a bond. It is the Plan Sponsor’s and Advisor’s obligation to purchase their own fidelity bonds. Vestwell will require verification that the Sponsor obtained a bond and the bond amount for the Plan’s annual report.
Establish a custodial account to hold, invest, and distribute Plan assets consistent with participant directions	Yes			
Create, store, distribute, and maintain Plan documents and notices that Vestwell prepares for the Plan	Yes			Plan documents and notices are stored in the Sponsor and participant portals where they can be reviewed at any time.
Coordinate conversion from existing provider, blackout period, and asset transfer	Yes		Yes	Vestwell works with the prior recordkeeper to facilitate the transfer of Plan assets, but we’ll require some assistance from the Plan Sponsor as described in Appendix C of our PSA.
Provide an initial census file and payroll files to Vestwell in "Good Order"			Yes	We rely on all data provided by the Plan Sponsor and we cannot perform our services, like calculating eligibility and vesting, without complete and accurate information about participants. Providing this information in “Good Order” means that we receive dates of hire, dates of birth, and dates of termination or rehire for all employees, including any terminated participants with a balance in the Plan in a specified electronic format. The Implementation Team will provide more specifics about these requirements and additional details are set forth in the PSA.
Provide census file, prior year Form 5500 reconciliation, and other existing Plan documents			Yes	Depending on the nature and history of the Plan, we may need additional information from the Plan Sponsor or prior recordkeeper.

Select Investment Options

When the Plan Sponsor engages an Advisor other than Vestwell Advisors to serve as an investment fiduciary, the Advisor is solely responsible for all activities relating to the selection and oversight of the investment options to be offered to the Plan. Vestwell has no role or responsibility for any of those investment selection or oversight activities and we will not be responsible for any delays, penalties, or other corrections required to remedy any non-compliant investment selections. Vestwell also has no role or responsibility to confirm whether any funds require waivers, participation agreements, or other requirements or that such requirements are properly fulfilled. The Advisor is solely responsible for confirming in a timely manner that any of its selected investment vehicles are open and available to the plan as well as securing all necessary approvals. Failure to do so may result in a Plan's first payroll being rejected. Vestwell has no responsibility to make or pay for any corrections in those instances. When a Plan engages its own Advisor, Vestwell's only role is to implement the investment fiduciary's directions. Vestwell is not a party to any contractual agreement between the Advisor, the Plan, and Plan Sponsor. Vestwell is not responsible for and will not be performing any review of the investment fiduciary's selections for any Plan. When an investment fiduciary provides its selected investment lineup to Vestwell, we rely solely on the investment fiduciary and assume it has vetted the funds for compliance with all applicable regulatory requirements, including those applicable to ERISA 403(b) plans.

Selecting and monitoring the investment options available to participants; providing fact sheets for any custom investment lineup created by the Advisor		Yes		The Advisor is solely responsible for confirming that all investments are suitable for the Plan and comply with applicable regulations, including all Prohibited Transaction rules. The Advisor is also solely responsible for making any changes to those investments, including the determination of whether advance notice to participants is required. Vestwell will inform the Advisor if our custodian encounters any problems implementing the Advisor's chosen investments, such as if the share class is unavailable or closed to new investors. We will post fact sheets on sponsor and participant portals, but the Advisor must provide them to us so that participants can make informed decisions about the investment options available to them.
Determining whether the Plan's default investment options satisfy regulatory requirements		Yes		The Advisor is solely responsible for determining whether the investments it selects for the Plan satisfy applicable default investment rules. Vestwell will prepare and distribute the Qualified Default Investment Alternative ("QDIA") notice that includes the investment options selected by the Advisor.
Creating, reviewing, and complying with an Investment Policy Statement for the Plan		Yes		
Explaining to the Sponsor any restrictions, such as surrender charges, on any of the investments		Yes		Vestwell will prepare and distribute fee disclosures to the Sponsor and participants regarding the investment options selected by the Advisor.

Informing Vestwell of any indirect revenue from the investments so that they can be included in fee disclosures		Yes		Vestwell will prepare and distribute fee disclosures to the Sponsor and participants regarding the investment options selected by the Advisor.
For Advisors that serve as the investment fiduciary consistent with ERISA section 3(21) as an investment Advisor, the Advisor is responsible for obtaining and maintaining a record of the Plan Sponsor's consent to implement the investments selected by the Advisor.		Yes		As noted above, when the Advisor serves as the investment fiduciary to a Plan in any capacity, whether as investment Advisor or investment manager, Vestwell's only role regarding the investments for the Plan is to take directions from the Advisor. We assume that the Advisor has obtained, documented, and maintains a record of the Plan Sponsor's consent to offer any investments or changes to those investments to participants.

Ongoing Plan Administration

Vestwell relies exclusively on the information provided to us by the Plan Sponsor or anyone acting on its behalf, such as the payroll provider. Vestwell's ability to timely and properly perform recordkeeping and administration services is conditioned on timely receipt of complete and accurate data about all Plan participants, such as dates of hire, date of birth, and date of termination or rehire. The following chart is intended to provide a summary of responsibilities, but please review Appendix B to the PSA for more specifics.

Manage and track participant eligibility, vesting, and enrollment activities	Yes			
Verify that eligible participants were provided with an opportunity and notice to enroll in the Plan	Yes		Yes	Pursuant to legal requirements, the Plan Sponsor always remains a fiduciary to the Plan. We provide an eligibility report to Plan Sponsors on our platform. We expect Plan Sponsors to review that report and its records and notify us of any potential discrepancy.
Monitor Plan for excess contributions	Yes			
Process incoming and outgoing rollover requests	Yes			
Generate and deliver legally required notices and fee disclosures	Yes	Yes	Yes	Vestwell will prepare legally required notices and deliver them to participants by electronic delivery to the extent legally permissible. If the Advisor is acting as the investment fiduciary, the Advisor must review and approve content about the investment options contained in fee disclosures, QDIA notices,

				and certain other required notices regarding the investment options for the Plan. If the Plan Sponsor cannot or does not provide Vestwell with email addresses for all participants, the Plan Sponsor may be required to deliver all notices and Plan communications or there may be additional charges for postage and related costs.
Process participants' investment election and deferral changes	Yes		Yes	Participants always control their investment decisions. Vestwell will implement their instructions following our Trading Policies. Deferral changes made via the Vestwell platform are communicated to the Plan Sponsor and/or directly to the payroll provider for implementation. If the payroll provider is not integrated with our platform, the Plan Sponsor will need to complete additional processing responsibilities. Please see our Help Center payroll integration area for more specifics.
Process loan, hardship, and distribution requests	Yes			
Annually monitor forfeiture accounts	Yes			
Plan audit			Yes	Vestwell will determine if the Plan is required to undergo an annual audit. It is the Sponsor's sole decision whether to complete a full scope or limited scope audit, to engage an auditor, and to pay for the audit. Vestwell will provide up to four hours of assistance to the auditor at no additional charge.
Prepare Annual Return (Form 5500)	Yes			
Perform annual compliance testing	Yes			

Additional Support for the Advisor, Plan Sponsor, and Participants

Provide ongoing participant and Plan Sponsor troubleshooting support. We do not provide investment, legal, or tax advice to any individual	Yes			Vestwell's client success team is available by email (help@vestwell.com) and phone (917.979.5358).
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Provide on-demand non-fiduciary investment education, such as webinars, fact sheets, prospectuses, and “plain English” investment comparison charts	Yes	Yes		Vestwell has a growing library of educational information available to participants so that they can make informed decisions about their retirement account. Vestwell prepares fact sheets and investment comparison charts based on the investment lineup that the Advisor selects.
Select and vet service providers	Yes		Yes	Consistent with legal requirements, the Plan Sponsor always retains fiduciary oversight over the Plan even though that activity is delegated to Vestwell.
Monitor service providers' fees and performance	Yes		Yes	Consistent with legal requirements, the Plan Sponsor always retains fiduciary oversight over the Plan and should periodically review the performance of and fees charged by service providers. The Plan Sponsor is also solely responsible for vetting and overseeing service providers that it engages separately from Vestwell to support the Plan, such as a payroll provider, Advisor, or Third Party Administrator.
Process changes to investment lineup		Yes		As the investment fiduciary, the Advisor will decide whether, when, and to what extent any changes are appropriate for the Plan’s investment options. Vestwell implements these changes following the Advisor’s directions.
Review reports, fee disclosures, and other notices about the Plan		Yes	Yes	
Distribute Advisor's Form ADV and privacy policy to Plan Sponsor and participants		Yes		Unless there is a separate agreement otherwise, the Advisor must distribute its Form ADV and privacy notice to the Sponsor and participants.
Collect Advisor's fee from the Plan and distribute to Advisor and Advisor's home office (if applicable) accordingly	Yes			The Advisor informs us of the fees that it has agreed to with the Plan and/or Sponsor. Vestwell will process payment on a quarterly basis.
Provide referral fee disclosures and overall compliance with applicable securities laws		Yes		We assume Advisors who perform investment fiduciary services for plans on the Vestwell Platform are complying with all applicable securities laws. Vestwell cannot and does not provide any legal advice to Advisors or other individuals.

