

To Self Trustee a Plan or Not, That is the Question - It Depends on the Company, That's the Answer

Should a privately held business ask an institution to serve as the trustee for its retirement plan or should it ask two or three of its key employees to serve in that capacity? There are no right or wrong answers to that question - rather the decision should be driven by the philosophy and unique circumstances presented by the individual company.

Appearance of Independence

As a general rule, the use of an institutional trustee gives the impression of independence to staff employees. From the viewpoint of the staff, an institutional trustee would appear to insulate the plan from the management of the company. This is a matter of perception only - in most cases the reality is that management or a plan committee directs the institutional trustee in all meaningful decisions.

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