



**Sponsors of Retirement Plans Can Legally  
Transfer Significant Risk to an ERISA 3(38) Investment Manager**

QUESTION	Type of Investment Advisor to Plan			Benefits to Plan Sponsor
	Non-Fiduciary	Co-Fiduciary (ERISA 3(21))	Investment Manager (ERISA 3(38))	
Will the advisor accept liability for selecting plan investment options?	<b>NO</b>	<b>NO</b>	<b>YES</b>	Gets rid of liability for selecting plan investment options
Will the advisor accept liability for monitoring plan investment options?	<b>NO</b>	<b>NO</b>	<b>YES</b>	Gets rid of liability for monitoring plan investment options
Will the advisor accept liability for replacing plan investment options?	<b>NO</b>	<b>NO</b>	<b>YES</b>	Gets rid of liability for replacing plan investment options
Is the advisor interested in reducing plan investment risk?	<b>NO</b>	MAYBE/DEPENDS	<b>YES</b>	Reduces plan investment risk significantly
Is the advisor interested in reducing plan investment costs?	<b>NO</b>	MAYBE/DEPENDS	<b>YES</b>	Reduces plan investment costs significantly
Can a plan sponsor transfer significant risk to the advisor?	<b>NO</b>	<b>NO</b>	<b>YES</b>	Gets rid of significant risk
Does the advisor provide advice with accountability?	<b>NO</b>	MAYBE/DEPENDS	<b>YES</b>	Receives advice with accountability
Does the advisor have fiduciary discretion?	<b>NO</b>	<b>NO</b>	<b>YES</b>	Discretion determines responsibility and liability

