SAVE MONEY & REDUCE LIABILITY ASSOCIATED WITH YOUR COMPANY'S RETIREMENT PLAN

A White Paper for Small and Midsize Business CEOs and Legal Counsel on Navigating the Challenges of ERISA Compliance, Fiduciary Liability, and Using Multiple Vendors to Administer a 401(k) Plan.

First Bank & Trust

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Proudly serving the upper Midwest with main offices in Brookings and Sioux Falls, SD, and Roseville, MN.

executive summary

Small and midsize businesses typically implement qualified retirement plans to support recruitment and retention efforts. However, offering a 401(k) plan comes with three main challenges: plan sponsors often take on a plan trustee role without knowing or understanding the responsibilities and liability, they inadvertently fall into ERISA non-compliance because it's easy to do, and they spend more time and money than necessary on multiple-vendor solutions for retirement plan administration.

When decision makers are aware of the risk management issues associated with qualified retirement plans, they typically attempt to address these problems with one of four solutions: not offering a retirement plan, setting up a SIMPLE IRA, attempting to reduce fiduciary responsibility by hiring an investment manager, or exploring a pooled employer plan (PEP) because of the simplified IRS reporting requirements.

However, these solutions don't solve the problems. A better solution is working with a bundled service provider that also acts as a discretionary trustee. In this white paper, we explore in detail the challenges small and midsize businesses face as retirement plan sponsors, evaluate typical solutions and present an alternate solution which is cost-effective and will allow plan sponsors, their staff, and legal counsel to sleep easier at night.

Supplementary resources in this paper include a Retirement Plan Bundled Service Provider Checklist and a Retirement Plan Administration Cost Savings Calculator.

three big problems businesses face

Small and Midsize Businesses & Qualified Retirement Plans: Three Big Problems

Small and midsize businesses typically implement benefit plans in stages, starting with vacation, sick leave, and health insurance, and then expanding into a retirement savings plan such as a defined contribution 401(k) plan. Once an employer has about 20 employees, a 401(k) plan is a viable solution, especially to support recruitment and retention efforts. Given the value employees place on retirement benefits, you may be surprised to learn in 2018, only 51% of private industry employees had access to a defined contribution retirement plan.[1]

However, offering a 401(k) plan comes with three main challenges for small and midsize businesses: taking on a plan trustee role without knowing or understanding the responsibilities and liability, inadvertently falling into ERISA non-compliance by making costly mistakes, and wasting time (and money) coordinating with multiple vendors about the plan. Whether a business is starting a retirement plan or already has one in place, it's essential to address these challenges to reduce legal liability, costs, and headaches.

1 Limited understanding of the risks associated with being the trustee of your retirement plan

2 It's extremely easy to become out of compliance with ERISA — even with company policies and retirement plan administrators in place

3 Retirement plan administration solutions typically involve multiple vendors (and multiple invoices)

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1 PROBLEM: Limited Understanding of the Risks Associated With Being the Trustee of Your Retirement Plan

When an organization starts an employee retirement plan that receives and invests employee 401(k) contributions, it becomes a plan sponsor and fiduciary. The role of a fiduciary is to "run the plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses."[2] Besides the plan sponsor, other plan fiduciaries may include plan trustees, investment advisors, and administrators.

A trustee is "a person or firm that holds and administers property or assets for the benefit of a third party...such as in the case of…certain types of retirement plans or pensions."[3]

Fiduciary responsibilities are inescapable for plan sponsors, but many small and midsize businesses fail to realize that being their own retirement plan trustee is optional. It's also common for decision makers to be unaware of the risks associated with being a retirement plan trustee.

A plan trustee's legal responsibility is so high that most third-party retirement plan administrators—even banks—won't take on the highest level of trusteeship: the 403(a) discretionary trustee. Instead, the business ends up being its own trustee or having a directed trustee (which has significantly less fiduciary responsibility) along with a 3(21) investment advisor or 3(38) investment manager to choose and/or manage the funds in the retirement plan.

Trustee status matters when it comes to retirement plan lawsuits because the parties named in these suits are typically the plan sponsor and the plan trustee. A plan trustee should know enough to keep a company out of lawsuit territory; but when the plan trustee is the business, this generally isn't the case. ("I didn't know" is a weak argument in a trustee lawsuit.)

ERISA retirement plan lawsuits

Most retirement plan lawsuits involve employees suing the employer for one of three things:

1 **excessive fees**

2 **performance of the funds within the plan**

3 **failure to adequately protect plan assets (for example, from fraud or misuse)**

These are areas of concern within the Employee Retirement Income Security Act of 1974 (ERISA) where unintentional violations could occur. ERISA lawsuits are on the rise and so are the settlements. Since the year 2000, there have been 201 settlements for class-action lawsuits against employers for improperly administering retirement plans. In total, the companies paid out $6.2 billion. (The largest settlement of $480 million was paid by Daimler AG in 2014, and Metropolitan Life paid the smallest claim—their Magliulo v. Metropolitan Life, et al settlement was a mere $350,000[4]).

Getting sued by disgruntled employees isn't the only lawsuit risk for plan sponsors; the Department of Labor (DOL) has a history of filing suits and opening investigations to recover unpaid 401(k) contributions (such as Perez v. F.V. Zanetti Inc. and Robert Zanetti[5]). In 2020, for example, through investigations and voluntary plan corrections, the DOL recovered more than $3.1 billion for retirement plan beneficiaries, almost double the amount recovered in 2018.[6]

201 settlements

6.2 billion paid out since 2000

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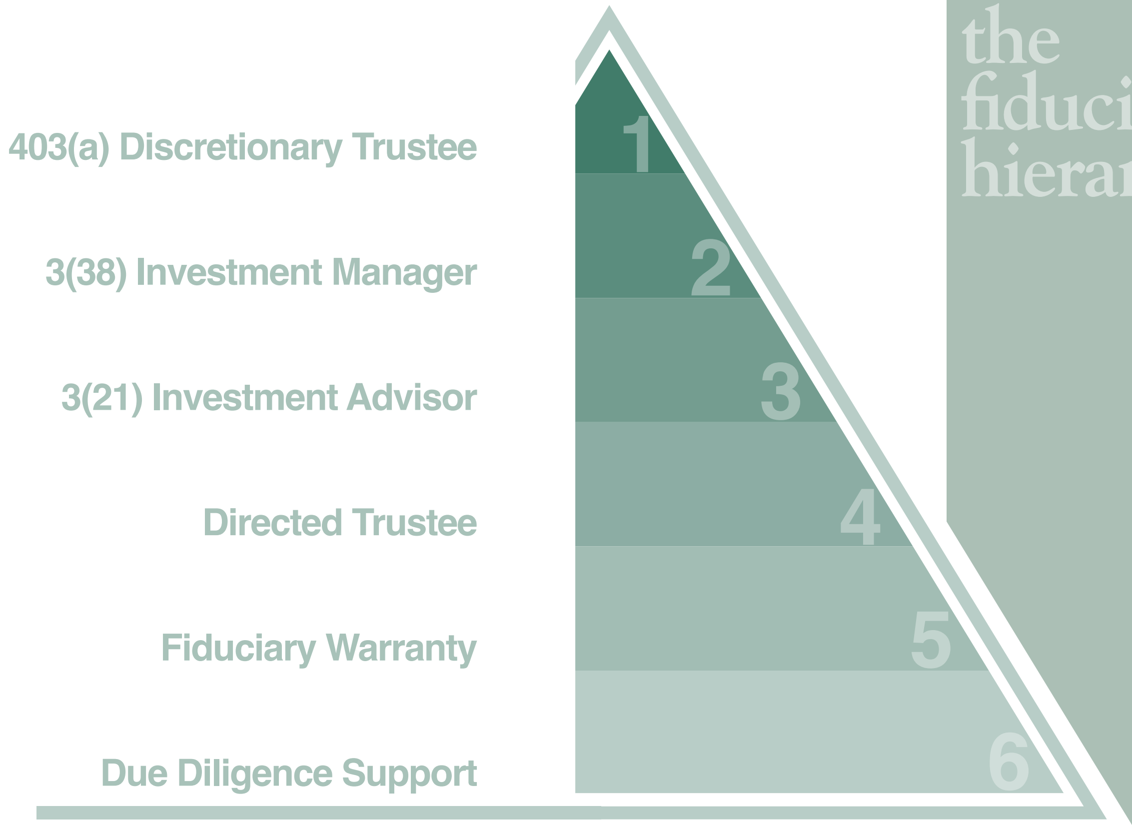
the fiduciary hierarchy



1 A discretionary trustee goes beyond the investment services offered by a 3(38) investment manager by providing services such as custody of the assets, responsibility for 404(c), and 408(b)(2) fee disclosures.

2 The investment manager becomes solely responsible for the selection, monitoring, and replacement of plan investment options (discretion). The plan sponsor and other plan fiduciaries are provided fiduciary relief under ERISA 405(d)(1).

3 An independent RIA or bank acting in a limited fiduciary capacity recommends and monitors funds, suggesting replacements as necessary and advises the plan sponsor in following a fiduciary process. Plan sponsor retains the legal responsibility for selecting and monitoring the menu.

4 Institutional trustee provides custodial services and acts on the direction of the plan sponsor and in accordance with the plan document. Typically not a fiduciary.

5 Plan sponsor receives last-resort liability protection, provided they follow specified conditions.

6 Plan sponsor selects from pre-screened menu of funds and retains responsibility for their selections and ongoing monitoring.

2 PROBLEM: It's Extremely Easy to Become Out of Compliance with ERISA – Even with Company Policies and Retirement Plan Administrators in Place

ERISA is complicated legislation and, as demonstrated in this section, it's common (and easy) for small and midsize businesses to fall out of compliance even when they believe they've put the proper controls in place by hiring a third-party administrator, record-keeper, and investment manager or advisor.

Each administration brings new ERISA regulatory framework guidelines

While the broad framework of ERISA established in 1974 remains largely intact, significant legislation affecting retirement plans has slowed significantly since the early years. Thirteen years passed between the two most recent significant pieces of retirement legislation, the Pension Protection Act (PPA) in 2006 and the Setting Every Community Up for Retirement Enhancement Act (SECURE) in 2019.

However, there have been many notable smaller pieces of legislation (WRERA, HEART, and CARES among other increasingly clever acronyms) along with a near constant drip of legal precedent and regulatory guidance from the Internal Revenue Service and Department of Labor. Administration changes are frequently accompanied by updated legal precedents and regulatory guidance. Each update is a new opportunity for a plan sponsor error to result in a plan that is out of compliance and subject to costly penalties and potential legal liability.

The in-house benefits administrator who knows just enough to be dangerous

In most forward-thinking small and midsize businesses with a qualified retirement plan, there's typically one person who keeps the line between order and chaos when it comes to benefits administration. This person—who may be an HR coordinator, payroll specialist, payroll provider, or even the company owner—is responsible for many tasks that affect the plan. This includes on boarding employees into the plan, arranging employee payroll deductions and employer-matching contributions, employee loan processing and providing disbursements (when employees leave through termination, retirement, or disability), and hardship distributions.

In too many cases, this person receives inadequate training, has no expertise in retirement plan administration, and his or her *real* job is something else entirely. This is what makes an in-house benefits administrator dangerous; heroically, competently, and with the best intentions, the administrator follows inadequate, incomplete and/or outdated company policies and training. The in-house benefits administrator, the HR team, and the company owner are often blissfully unaware their payroll, on-boarding, and internal policies and procedures can cause ERISA violations. Oops.

common mistakes

For example:

- Enrolling employees into the plan late.
- Depositing employee plan contributions late.
- Recording incorrect deferral percentages, loan repayments, hours worked, etc.
- Failing to provide automatic contribution notices such as those for automatic enrollment or default investments.
- Failing to file Form 5500.

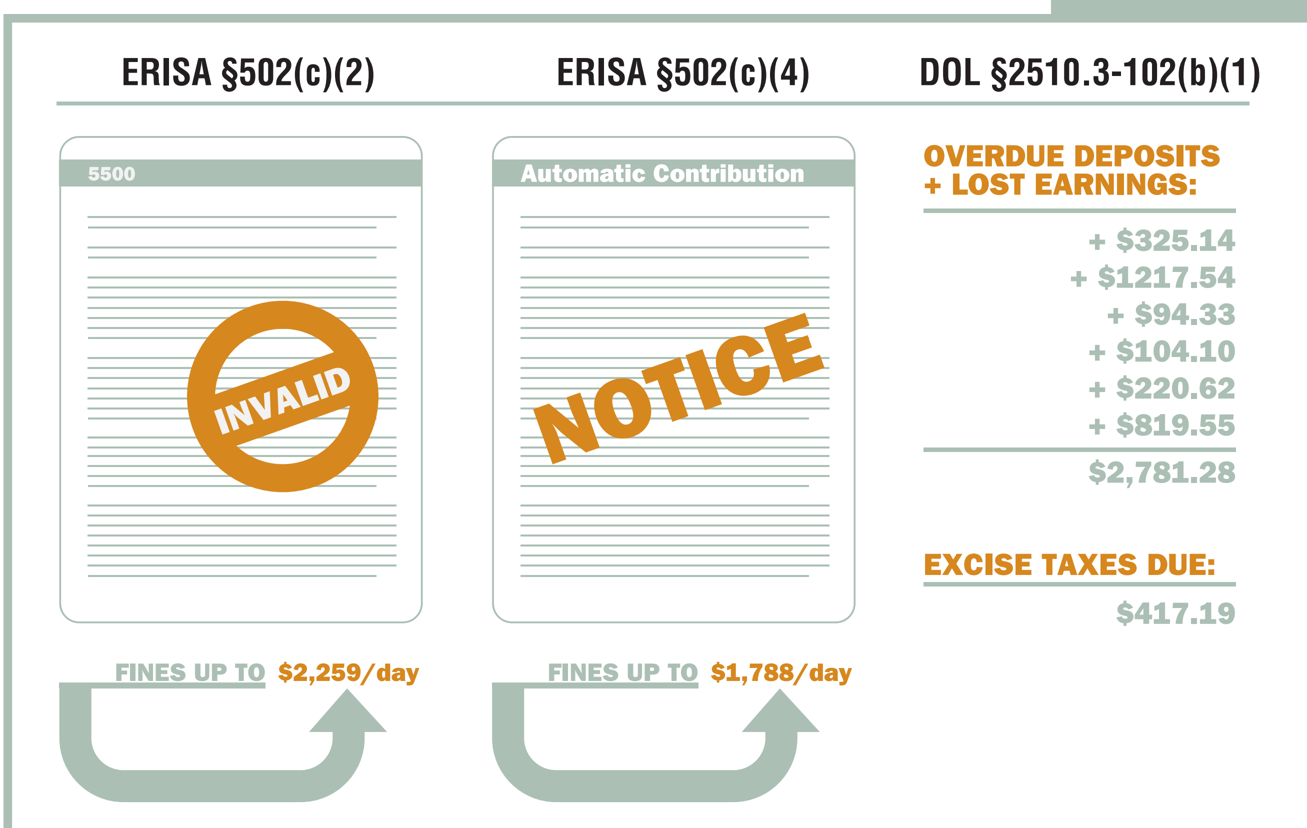
As mentioned earlier, ERISA non-compliance—even when accidental—increases an organization's legal liability.

ERISA penalties and IRS fines

ERISA violations for health plans, defined benefit plans, and defined contribution retirement plans are hefty and—due to the Federal Civil Penalties Inflation Adjustment Act of 2015—subject to annual inflation adjustments.

Fines associated with defined contribution retirement plan violations:

- **ERISA §502(c)(2)** – Failure to file (or file correctly) the annual report (Form 5500): Up to $2,259 per day.[7]
- **ERISA §502(c)(4)** – Failure to provide automatic contribution notices: Up to $1,788 per day for each affected participant.[8]
- **DOL §2510.3-102(b)(1)** – Late deposit of contributions: The plan sponsor must make a deposit to each participant's account to restore lost earnings and pay a 15% excise tax to the IRS.[9]



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Late or neglected plan document amendments and restatements (cycle 3 deadline is July 31, 2022)

A plan document is a written document that states the plan parameters, including the processes required to amend the plan. Making an amendment without following the procedures in the plan document is considered a failed amendment, which can jeopardize a plan's tax-qualified status.[10] Amendments such as cutting back protected benefits or forcing participants into new less liberal vesting schedules are prohibited by ERISA. Furthermore, ERISA requires that plan members be notified of amendments, either after the fact or in advance (ERISA §204(h)), depending on the type of amendment.

Plan documents are generally submitted to the IRS for a determination letter for an individually designed plan or an opinion letter for a volume submitter or prototype document. This letter "expresses an opinion on the qualified status of the plan document."[12] (The IRS suggests using the checklists on multiple forms [5300, 5307 and 5310] to ensure your submission for a determination/opinion letter is complete.) How serious are amendment violations? The IRS says, "If you didn't adopt an amendment on a timely basis, you are a late amender or a non-amender, which means your 401(k) plan doesn't comply with the law and is no longer a tax-favored qualified plan."[13]

On top of regular amendments, the IRS requires qualified retirement plans to be restated every five years for individually designed plans and every six years for pre-approved plans. Restating a plan means completely updating it in writing based on the new pre-approved volume submitter document from the IRS. The next restatement deadline for defined contribution plans—called cycle 3—is July 31, 2022. If a company misses the restatement deadline, they're subject to hefty penalties, including losing the tax-favored status of their qualified plan.

If plan sponsors hire third-party administrators to handle plan amendments and restatements (among other plan-related tasks), why do so many violations occur?

What is a Protected Benefit?

Protected benefits are benefits that cannot "be reduced, eliminated, or made subject to employer discretion except to the extent permitted by regulations."[11]

- §1.411(d)-4 Section 411(d)(6), Code of Federal Regulations, Title 26

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3 PROBLEM: Retirement Plan Administration Solutions Typically Involve Multiple Vendors (and Multiple Invoices)

Administering a retirement plan is complex, and plan sponsors often hire multiple vendors to handle all the administration duties.

A multi-vendor retirement plan administration solution typically involves:

- **An investment advisor, investment management company, or fiduciary advisor** – Investment advisors (ERISA §3(21)) give plan sponsors advice on what to invest in, whereas investment managers (ERISA §3(38)) make plan investment decisions. A fiduciary advisor (ERISA §408g) is authorized to provide investment advice to plan participants.
- **Third-party administrator (TPA)** – A TPA (ERISA §3(16)) handles daily transactions and compliance requirements of a retirement plan such as processing plan distributions, allocating contributions and forfeitures, amending and restating plans, annually testing the plan against IRS requirements and more. TPAs usually disclaim fiduciary responsibility but may accept limited responsibility if engaged for such things as approving distribution requests.
- **Record-keeper** – The record-keeper is basically the plan accountant. They record where the money is, how much there is, and the status of all those dollars (for example, tax-deferred, tax-free (Roth), employer contribution, employee contribution, etc.). Record-keepers may send employees account statements, process distributions and loans, prepare and submit Form 5500 to the IRS, create retirement plan educational materials for participants, answer plan participant queries, etc. Record-keepers will typically disclaim fiduciary responsibility. (Note: Some record-keepers also serve as TPAs.)

In addition to the above, a plan sponsor may also engage:

- **Corporate or institutional trustee** – A directed trustee acts on the instructions of the plan sponsor (and within the guidelines of the plan documents) and may take on other administrative roles such as preparing and filing tax forms. A directed trustee has limited fiduciary responsibly.
- **Plan auditor** – The plan auditor conducts a full-scope or limited-scope audit to assure the plan's financial statements are in order and in compliance with ERISA and DOL guidelines.

This list doesn't include a discretionary trustee because—as mentioned earlier—many plan sponsors end up being their own plan trustee despite the liability that comes with this responsibility.

More vendors, more complexity

When multiple vendors are responsible for different parts of retirement plan administration, it adds complexity and can decrease customer service for plan sponsors. To make inquiries or changes, a plan sponsor might need to call multiple providers. Do the third-party administrator, the investment manager, and the record-keeper communicate effectively with each other and the plan sponsor? Can the organization's accountant reach the vendors in a timely manner? Beyond the multiple-vendor complexity, some vendors also outsource their services, increasing the number of hands in the retirement plan pie. (For example, few trust companies and banks do recordkeeping in-house; most outsource to third-party record-keepers.)

More vendors, more invoices

While plan sponsors must engage with vendors for retirement plan administration, it's reasonable to expect that the more vendors involved, the more invoices the plan sponsor receives. This drives up costs, and each additional vendor invoice requires more in-house resources to process. Some fee structures include event-driven fees, which means a plan sponsor's telephone inquiry can result in another invoice. As each vendor requires vetting and due diligence, more vendors hired means more resources required for the due diligence process. This due diligence continues if a plan sponsor isn't satisfied with a vendor. (For example, Fidelity's 8th annual Plan Sponsor Attitudes survey found that 38% of plan sponsors would like to change plan advisors.[14])

Retirement Plan Administration Duties:

Drafting plan documents.

Amending & restating plan documents.

Investment selection & monitoring.

Recordkeeping.

Fiduciary responsibilities.

Trustee responsibilities.

Custody of assets.

Compliance with ERISA, DOL, & IRS regulations and guidance.

Participant and plan sponsor fee disclosures.

Properly onboarding participants into the plan (and meeting communications requirements).

How small and midsize businesses try to solve these retirement plan problems

While many chief executive officers, business owners, HR directors, and chief financial officers aren't aware of the details of retirement plan liability, they do know that becoming a plan sponsor is complicated. There are several solutions plan sponsors use to avoid or navigate the challenges of ERISA compliance, fiduciary liability, and using multiple vendors to administer a 401(k) plan. In this section, we'll cover four solutions and their major drawbacks.

1 | SOLUTION: Don't Offer a Retirement Plan

The simplest way to avoid the challenges, costs, and liability associated with a retirement plan is to avoid offering one at all. However, small and midsize employers of choice reject this solution as it harms employee recruitment and retention efforts. A survey by the Plan Sponsor Council of America suggests that employees like retirement plans; in 2018, they found that 84.9% of employees contributed to their 401(k) plans compared to 76.9% in 2010.[15]

And a Glassdoor Economic Research study found that the five benefits with the highest correlation to employee satisfaction are health insurance, vacation/paid time off, pension plans, 401(k) plans, and retirement plans.[16]

2 | SOLUTION: Avoid Retirement Plan Complexities by Setting Up a SIMPLE IRA

Some small and midsize businesses opt to avoid the complexities of a qualified retirement plan by setting up a SIMPLE individual retirement account (IRA) for their employees. There's no doubt that a SIMPLE IRA is simple. A volume submitter document isn't required, and a company can download the pre-approved IRS document from the IRS website. However, with a SIMPLE IRA, employee and employer contributions are limited; the 2021 employee contribution limit is $13,500 or $16,500 (age 50 or older), whereas the contribution limit for a 401(k) is $19,500 or $26,000 (age 50 or older).[17] SIMPLE IRA employer contribution limits are also lower, with employers limited to offering either a 3% match or a 2% non-elective contribution (where the employer contributes even if the employee doesn't). 401(k) sponsors can contribute up to 25% of an employee's compensation.

With a SIMPLE IRA, employees must be fully vested immediately. Plus, employees can withdraw money from their IRA at any time without a qualifying event.

With these contribution limits, immediate vesting, and easy withdrawal of both employee and employer contributions, a SIMPLE IRA is not an effective recruitment and retention tool for businesses.

3 SOLUTION: Choose a 3(38) Investment Manager to Reduce Fiduciary Responsibility

When decision makers explore the fiduciary responsibilities involved in a qualified retirement plan, they typically learn enough to know that hiring a 3(38) investment manager offers more liability protection than working with a 3(21) investment advisor. They are correct, but this approach still falls short, as a 3(38) investment manager doesn't provide the same liability relief as a discretionary trustee.

4 SOLUTION: Choose a Pooled Employer Plan (PEP) for Simplified IRS Reporting

The pooled employer plan (PEP) emerged in 2021 to allow multiple employers to band together to provide a retirement plan for their combined employees. A PEP allows for simple reporting requirements for plans with fewer than 1000 employees, where no single employer has more than 100 employees in the plan.[18] The SECURE Act requires PEPs to be administered by an approved pooled plan provider (PPP), which could be a bank, insurance company, TPA, record-keeper, etc.[19]

Emerging marketing messages for PEPs include cost savings through economies of scale and shifting fiduciary risk to the PPP under ERISA §3(16), which applies to administrative services and/or ERISA §3(38), investment management. However, because PEPs are so new, there's little evidence for or against the cost-savings messages, and as discussed earlier, these fiduciary solutions are often insufficient from a risk-management standpoint. Additionally, plan sponsors may still need to deal with and monitor multiple vendors, transition into complex reporting as their employee numbers grow, and accept a paint-by-numbers version of a retirement plan rather than something built with their needs in mind.

case report:

Trustee Relief for a Company President

At First Bank & Trust, we recently took over a 401(k) retirement plan where the president of the company was named as the plan trustee. The president said, "I'm so glad to get my name off this. I'm busy running my company. I have no idea what being a trustee even means and what my responsibility is."

[The president being personally named as the plan trustee put the highest level of fiduciary responsibility on him. That responsibility has now been transferred to First Bank & Trust as discretionary trustee.]

the better way

The 401(k) Retirement Plan Solution That Saves Money and Reduces Liability and Administrative Complexity: A Bundled Service Provider Acting as Discretionary Trustee

INCREASES:

- Customer service
- Investment and performance monitoring
- Peace of mind

DECREASES:

- Plan sponsor costs 20% – 25%
- Fiduciary liability
- Number of vendors to deal with

As mentioned throughout this white paper, a discretionary trustee takes on the highest level of fiduciary responsibility. Engaging a discretionary trustee is the simplest and most cost-effective option for a plan sponsor to reduce their liability as significantly as possible. This addresses the question of liability and risk management.

On top of the discretionary trustee role, a bundled service provider takes care of all responsibilities associated with running a qualified retirement plan, including a pre-approved document provider, administration, investment management and monitoring, recordkeeping, custody of plan assets, fee disclosures, and compliance. This reduces complexity because in this scenario, the plan sponsor can call one vendor to resolve issues rather than calling multiple vendors in the typical retirement plan setup. Having a one-vendor solution often enhances the customer experience for both plan sponsors and employees who participate in the plan.

However, not all bundled service providers are trustees, and it's common for bundled service providers to outsource some retirement plan functions. By contracting a bundled service provider that outsources, small and midsize businesses effectively put themselves back into the multi-vendor scenario they were trying to escape.

On top of the reduced liability and complexity, hiring a bundled service provider that acts as discretionary trustee often reduces the plan sponsor's plan management and administration costs by 20% to 25% versus a multi-vendor engagement.

The bottom line is a bundled service provider acting as discretionary trustee takes on the complicated administration required by a qualified retirement plan, which makes it easier for employers to offer it.

Why a Discretionary Trustee Matters in a Lawsuit

Before thinking that small and midsize businesses are too small to have legal issues, they can still be sued for a settlement, which causes reputational harm, incurs unnecessary legal fees, and takes resources away from business operations. A company can always be sued by a disgruntled employee who believes the company didn't perform due diligence related to the retirement plan.

A discretionary trustee can point to policies and guidelines that meet DOL fiduciary requirements and Safe Harbor guidelines, all of which minimize the employer's legal liability.

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case report:

Costly Enrollment Mistakes

First Bank & Trust took over a 401(k) retirement plan after a plan sponsor was saddled with a hefty fee to correct an enrollment mistake. While engaged with their previous vendors, our client hadn't enrolled several employees into the plan on time. Their record-keeper charged them hundreds of dollars to calculate the corrective contribution to fix the mistake.

At First Bank & Trust, these calculations are included in our annual service fees.

Retirement plan administration cost savings calculator

Plan sponsors have an obligation to do due diligence to ensure they're providing a quality plan with low expenses. Use this quick calculator to determine how much your qualified retirement plan costs each year. Compare that number to the costs associated with a bundled service provider that acts as discretionary trustee.

Mutual Fund Expenses: ____________________

Investment Management/Custody Fees: ____________________

Participant Record-Keeping Fees: ____________________

Document Fees: ____________________

Form 5500 Reporting Fee: ____________________

Plan Amendment Fees: ____________________

Distribution Costs: ____________________

Annual Cost (All Vendors): ____________________

Annual Cost of Bundled Service Provider That Acts as Discretionary Trustee:

____

Difference ($): ____________________

Difference (%): ____________________

Buyer's guide for a retirement plan bundled service provider & discretionary trustee

Bundled service providers come in various configurations, which can make direct comparisons difficult. This buyer's guide outlines the questions we encourage decision makers to ask when choosing a retirement plan bundled service provider and discretionary trustee.

Customer Service Questions to Ask a Potential Retirement Plan Partner

- What support do you provide during our plan audit (if required)?
- What kind of training and support do you offer my in-house payroll/benefits administrator?
- How important is customer service to your organization?
- How do you assure plan sponsors and their employees aren't treated like a number when they contact you?
- How do you support plan communications for employees and investment education?
- What are your distribution fees for employees?
- What are your fees for complicated distributions for employees, such as a qualified domestic relations order?
- How many years of experience overseeing qualified pension plans does your team have?

Administrative Questions to Ask a Potential Retirement Plan Partner	YES	NO	Applicable ERISA Section
Will you serve as our plan's discretionary trustee?			§403(a)
Do you provide pre-approved plan documents and keep them up to date (amendments and restatements)?			
If our plan gets audited by the IRS or the DOL, will you stand beside us?			
Do you outsource any plan responsibilities to third parties?			
Do you provide fund selection and monitoring duties in-house?			§3(38) §404(c)
Do you do record keeping in-house?			
Do you take custody of plan assets in-house?			
Do you administer compliance duties in-house?			§404(c)
Do you administer fee disclosure duties in-house?			§408(b)(2)
Do you handle participant and plan sponsor queries in-house?			
Do you file the plan's annual tax return?			
Are plan amendments included in your annual fee?			
Are plan restatements included in your annual fee?			
Do you provide a complimentary evaluation of our current investment policy, investment performance, and costs?			

If you asked First Bank & Trust these questions, we'd say "yes" to all of them except the one about outsourcing—we don't do that.

Conclusion

Small and midsize businesses face multiple problems when they sponsor a qualified retirement plan, such as a 401(k). These problems increase legal liability, costs, and complexities for plan sponsors who are simply trying to provide their employees with a much-desired benefit. While there are many multi-vendor solutions on the market, most do not address the most pressing need of decision makers: to offload as much fiduciary liability as legally possible.

As we describe in this white paper, a better solution is working with a bundled service provider that also acts as a discretionary trustee.

Use the **retirement plan bundled service provider checklist** and **retirement plan administration cost savings calculator** before you become a plan sponsor or when you're looking for a new retirement plan service provider.

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your fiduciary responsibility:

Plan Sponsors

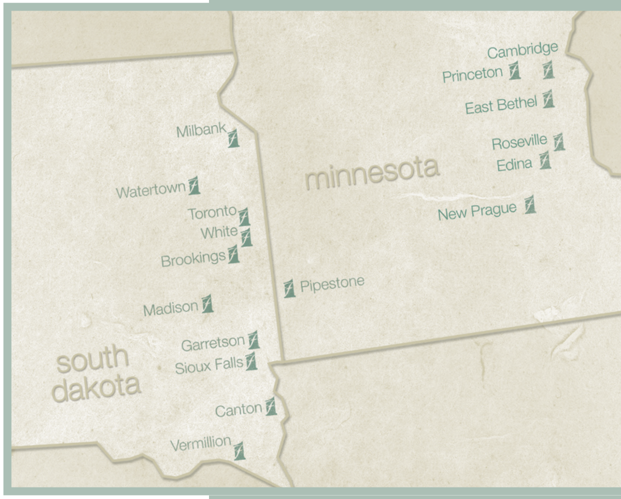
To meet your fiduciary responsibility, as indicated by the Department of Labor, you're required to do due diligence to ensure you're providing a quality plan with low expenses.

To receive a free, no-obligation fiduciary evaluation of your current plan document, plan investments, and costs, please call us at **877.809.0213** or visit **www.bankeasy.com/business/employee-benefits/employee-benefits-administration.**

About First Bank & Trust

First Bank & Trust began in Brookings, South Dakota, in 1880 as a check-cashing station in the Fishback family general store. We've grown into one of South Dakota's largest privately-held companies—Fishback Financial Corporation, the holding company for First Bank & Trust—and we now serve 17 thriving communities in South Dakota and Minnesota with 22 bank locations.

We specialize in taking on discretionary trustee responsibilities in the context of a bundled retirement plan administration solution. As a family- and employee-owned business, we believe that providing convenient and cost-effective employee retirement plans is a meaningful way to support the needs of each community we serve.



First Bank & Trust proudly serves the upper Midwest with main offices in Brookings, Sioux Falls, and Roseville, and 22 bank locations across South Dakota and Minnesota.

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Investment management accounts that include non-bank products are not FDIC insured, are not deposits or obligations of, nor guaranteed by, the financial institution or any government agency and may be subject to investment risks, including possible loss of the principle invested.

sources

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