

News

Kaleda Covers Fiduciary Best Practices with PLANSPONSOR

ATTORNEYS & PROFESSIONALS

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Groom principal [David Kaleda](#) was quoted by *PLANSPONSOR* in the article, “Fiduciary Best Practices,” where he explored the ways legal counsel and advisers could protect plan sponsors from fiduciary litigation.

“People get sued all the time, no matter how well they follow ERISA [Employee Retirement Income Security Act],” said Kaleda. “But if they demonstrate good procedural prudence, it will be easier to extricate themselves from litigation sooner.”

According to *PLANSPONSOR*, Kaleda stressed, “not only the importance of establishing a strategy but of then following it and documenting one’s progress thoroughly.”

“It’s really all about process,” he continued, “What I mean is documenting decisions that are made by fiduciaries, so you have that as a record and documenting it well enough to show a well-thought-out reason for the decisions you made at the time.”

Kaleda said, “You obviously won’t remember what you did six years ago.”

On the importance of hiring experts, Kaleda noted, “If I’m the plan sponsor, [I] want to designate people who are [or] want to be fiduciaries. But those fiduciaries can [still] hire experts and service providers to help them.”

“In a smaller-plan environment, it may just be the business owner, and that’s OK,” he said, “but you want to have clear lines of who does what. You want to try and avoid ‘accidental fiduciaries,’ meaning people who are actually acting as fiduciaries and don’t know it.”

To read the article, [click here](#).