

News

Kaleda Covers Retirement Plan Benchmarking with PLANSPONSOR

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Groom principal [David Kaleda](#) was featured in the *PLANSPONSOR* article, “Retirement Plan Benchmarking: ‘More Art Than Science,’” where he emphasized the role of fiduciary judgment in guiding plan sponsors on benchmarking fees and services.

PLANSPONSOR reported that Kaleda said that “fiduciary judgment under the Employee Retirement Income Security Act (“ERISA”) plays a role in establishing the cadence of when and how to benchmark.”

The platform further reported that Kaleda added that he “sees most plans completing full requests for proposals to benchmark fees such as for recordkeeping and for advisory or management services every three to five years, with a planned follow-up on fees in the third year.” *PLANSPONSOR* also noted that Kaleda said that “if something significant has changed in the interim, such as if a plan merges into another plan and assets expand, he advises accelerating the timing.”

“Plan sponsors want to know what their peers are doing so they can be competitive in the employment marketplace,” he said.

According to *PLANSPONSOR*, Kaleda said that “auto-enrollment features have also put additional emphasis on target-date fund selection, if such funds are designated as the qualified default investment alternative.”

“The QDIA will hold a substantial portion of the assets of the plan, anywhere from 40% to 60%, so when an investment class holds that much of plan assets, it behooves plan sponsor fiduciaries to really look at those to make sure they’re quality investments and that the fees you’re paying are reasonable,” he noted.

“When you hire investment managers, that’s the time to find out if they have conflicts—particularly fee conflicts—and determine how they address them.”

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