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TPS newsflash

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# Retirement Funds Require Fidelity Bonds

Generally, every plan official of an employee benefit plan who "handles" funds or other property of such plan must be bonded. A fidelity bond protects the plan against loss by reason of acts of direct and indirect fraud and dishonesty on the part of the fiduciary or person handling the plan assets.

A person shall be deemed to be "handling" funds or other property of a plan, so as to require bonding, whenever his or her other duties or activities with respect to given funds are such that there is a risk that such funds could be lost in the event of fraud or dishonesty on the part of such person, acting either alone or in collusion with others. The face amount of a bond must not be less than 10% of the funds handled.

Additional information on this topic is available to you through the Department of Labor website and by clicking on the following link: **http://www.dol.gov/dol/allcfr/ebsa/Title_29/Part_2580/29CFR2580.412-6.htm**

If you have questions regarding this issue, please contact a TPS Customer Service Specialist by responding to this email, or by calling the Toll Free number listed below.



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**DOL Changes Position on Allocation of Plan Expenses in a Defined Contribution Plan.**
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