



Bonding Information

► Fidelity Bonds for your Retirement Plan

Under Department of Labor (DOL) regulations, your retirement plan will need to maintain an ERISA Fidelity Bond. A fidelity bond protects the assets in the plan from misuse or misappropriation by the plan fiduciaries. Plan fiduciaries include the plan trustees and any person who has control over the management of the plan and its assets.

► Coverage Requirements

Every Fiduciary of a qualified Pension and/or Profit Sharing Plan must be bonded in accordance with Section 412(a) of the Pension Reform Act of 1974 (ERISA). If a sole owner and his or her spouse are the only participants in the plan, bonding is not required.

A “Fiduciary” is defined in ERISA as anyone who exercises discretionary authority or control over the management of an Employee Benefit Plan or its assets. Fiduciaries normally include the plan sponsor (employer), the plan administrator, trustees, and investment managers along with other persons, including employees who are involved in ANY aspects of handling the plan or its assets.

► Amount of Bonding Required

At the very least, the bond must be equal to 10% of the value of the total plan assets, with a minimum bond value of \$1000 and a maximum bond value of \$500,000. For the first year, the bond amount will be based on the estimated amount of the assets that will be handled by the plan for the year. If you have non-qualifying assets (real estate, partnerships etc.) totaling more than 5% of the total plan assets, the bond amount needs to be equal to 100% of these assets.

► Purchasing a Bond

In order to purchase a bond a plan Fiduciary should contact their casualty insurance broker. As a convenience to you, Atteberry/Searle, Incorporated has partnered with Colonial Surety Company, a national online insurance company that is U.S. Treasury listed and licensed in all states and territories. As experts in all aspects of ERISA regulations, Colonial Surety Company will ensure you are covered. You can easily obtain an ERISA Fidelity Bond and Fiduciary Liability Insurance for your plan through Colonial Surety Company’s secure website. You may obtain a bond via our website, www.attsea.com. Click the “useful link” tab and then chose Colonial Surety Company.

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