

Plan Sponsor Resource

Who Does What on Your 401(k)?

Every job on a retirement plan, and the provider that usually holds it

The risk on a retirement plan isn't a provider doing its job badly. It's a job nobody realized was theirs. The table below shows where each job usually sits. Read down the middle column, and mark the last column wherever your plan works differently or you are not sure.

The jobs, and who holds them on your plan

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Job	Where it usually sits	Our plan
Posting each payroll's contributions to employee accounts	Recordkeeper	
Processing loans, hardship withdrawals, and distributions	Recordkeeper processes them. Any approval the plan document requires is the plan administrator's call	
Tracking eligibility and vesting	Recordkeeper, from the dates your company sends	
Account statements and the participant website	Recordkeeper produces them. The duty to furnish them sits with the plan administrator	
Sending the payroll file and the contributions on time	Your company	
Running the yearly IRS tests	TPA, or the recordkeeper in a bundled arrangement. The plan sponsor is responsible for the plan passing	
Preparing and filing the Form 5500	Prepared by the TPA or recordkeeper. Filed by the plan administrator	
Keeping the plan document current and amending it	Prepared by the TPA or document provider. Adopted by your company	
Choosing and monitoring the investment menu	Your company, or an investment fiduciary it hires	
Holding the plan's assets	Trustee and custodian	
Selecting and monitoring the providers above	Your company	
Sending the blackout notice if you change providers	Plan administrator, which is your company unless the plan document names someone else	

These are the usual splits. Your plan document and service agreements control, and one provider may hold several of these jobs. Use the last column for anything that sits differently on your plan.

The four providers, in plain terms

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Recordkeeper. Keeps the employee-level records: contributions in, money out, eligibility and vesting, statements, and the participant website. It works from the data your company sends.

Third-party administrator (TPA). Handles the technical compliance work: the yearly IRS tests, the Form 5500, and the plan document and its amendments.

Custodian. Holds the plan's investments and settles the trades.

Trustee. Holds legal title to the plan's assets. The trust agreement sets how much authority it carries.

One company can hold two or three of these. The title a provider uses tells you less than the functions it has accepted in writing.

What stays with your company

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Delegating work does not move these:

- ☐ Choosing the providers above and reviewing how they perform.
- ☐ The plan's design: the match formula, the vesting schedule, and who is eligible.
- ☐ Sending accurate payroll data, including compensation defined the way the plan document defines it.
- ☐ Depositing employee contributions as soon as they can reasonably be separated from company money.
- ☐ Whatever the plan document does not assign to someone else. If it names no administrator, that is your company.

Questions for your next provider call

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- ☐ Which functions are you accepting in writing, and which stay with us?
- ☐ Are you acting as a fiduciary for any part of this, and for which part?
- ☐ What does the plan pay you, including anything you receive from the investments?
- ☐ What does payroll have to send you, in what format, and how soon after each pay date?
- ☐ Who confirms eligibility, and what happens when a date we send you is wrong?

About First Hill Trust

First Hill Trust is a retirement plan solution provider that delivers a comprehensive employee benefits back office for plan sponsors who want clearer accountability, stronger governance, and fewer operational handoffs. Our work is grounded in fiduciary oversight. We focus on helping sponsors understand where responsibility sits, how decisions are executed, and how oversight functions in practice, not just on paper.

We work behind the scenes to support plans that value clarity, consistency, and confidence in how they are managed. If you'd like more information or a high-level review of how your retirement plan is structured today, click the link to schedule a brief review, or contact us (206) 625-1800.

[Schedule a Brief Review](#)

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