



The Benefits of Certification to the Service Provider's Clients

The industry's best recordkeepers and administrators are voluntarily undertaking annual independent assessments verifying their adherence to the ASPPA Standard of Practice for Retirement Plan Service Providers.

They proudly display the certification mark:



Why should retirement plan sponsors hire CEFEX-certified recordkeepers and administrators?

The following benefits of CEFEX certification are relevant to certified firms, their clients, partners and stakeholders.

Increased Efficiency

Firms that undertake the CEFEX certification process have developed their processes to maximize quality and efficiency. The processes at these firms are well-established and guidelines are in place, thereby facilitating training, transitions, and trouble-shooting. Studies have shown that ISO Quality-Management System¹ certified companies experience increased productivity and improved financial performance, compared to uncertified companies.

Continuous Improvement

CEFEX standards prescribe audit processes, management review and improvement processes based on collected data. CEFEX assessments are conducted on an annual basis where Opportunities for Improvement (OFI) may be issued. CEFEX continually looks for corrective actions at the firm, instilling a culture of continuous improvement with the staff.

Public Recognition

CEFEX is becoming increasingly respected as the mark of the highest integrity and transparency in the financial services industry. Many firms simply state their awareness of fiduciary matters. Firms which undertake independent CEFEX assessments project a more meaningful commitment to the best fiduciary-support practices.

¹ ISO or International Organization for Standardization has published numerous quality management system standards, such as ISO 9001. The CEFEX certification program is based on ISO principles and audit methodology.

Better Supplier Relationships

Mutually beneficial supplier relationships (e.g., between recordkeeper/administrator and advisor) are one of the key attractions to CEFEX certification. CEFEX-certified firms complement each other in their adherence to a global fiduciary standard of excellence. This adherence to best practice for documentation and monitoring ensures that investments of the highest quality are used in retirement plans and other vehicles. The process also requires thorough evaluation of new service providers before a change is made and ensures consistency with respect to how investments are managed.

Enhanced Risk Management

The standards used by CEFEX require the documentation of all processes, in addition to changes, errors and discrepancies. This ensures consistency throughout the administration process and accountability of all staff. This also ensures traceable records are available in case of complaints or litigation.

Operational Consistency

All processes are defined, outlined and documented, minimizing possibilities of error. Even the process of making changes to a process should be documented, ensuring that changes are well-planned and implemented in a way to maximize efficiency. CEFEX-registered firms use best practices for data collection, reports, and report labeling, and therefore minimize the risk of document obsolescence or reporting errors.

Improved Decision Making

The standards used by CEFEX set out clear instructions for assessments and process reviews that facilitate information-gathering and decision-making based on the data. Certified firms make decisions based on factual data, which ensures better operational results.

Consistent Client Satisfaction

ASPPA certification is a cost effective way for service providers to help plan sponsors fulfill their own fiduciary obligations. Plan sponsors need to monitor many service provider deliverables, including plan reports, fee disclosure, participant services (e.g., complaint handling), regulatory changes, Form 5500 preparation, non-discrimination testing and internal controls. A CEFEX-certified firm demonstrates readiness and adherence to best practices in fulfilling all of these activities.

Enviably Employee Morale

Defined roles and responsibilities, accountability of management, established training systems and a clear picture of how their roles affect fiduciary excellence and the overall success of the company, all contribute to more satisfied and motivated staff at the certified firm.