

Pensions&Investments

Princeton becomes latest university sued over alleged fiduciary breaches in DC plans

By: [Robert Steyer](#)

Published: May 26, 2017

A participant in a pair of 403(b) plans offered by Princeton University has sued the university's trustees, claiming they failed to properly exercise fiduciary responsibilities in the management of the plans.

“Instead of leveraging the plans' massive bargaining power to benefit participants and beneficiaries, (the) defendant failed to investigate, examine and understand the real cost to plans' participants for administrative services,” said the lawsuit filed Tuesday in U.S. District Court in Newark, N.J.

In seeking class-action status, the lawsuit, Elysee Nicolas vs. The Trustees of Princeton University, said the plans paid “unreasonable and excessive fees for investment and administrative services.”

The combined assets as of Dec. 31, 2015, of the Princeton University Retirement Plan and the Princeton University Retirement Savings Plan was approximately \$1.78 billion, according to their most recent Form 5500 filings.

Daniel Day, a university spokesman, said in an email: “We are reviewing the lawsuit and have nothing further to say at this point.”

The lawsuit criticized Princeton University for having two record keepers — TIAA-CREF and Vanguard Group — and complained about the plans' use of revenue-sharing when dealing with the record keepers. “The inefficient and costly structure maintained by (the) defendant has caused plan participants to pay duplicative, excessive and unreasonable fees for plan record keeping and administrative services,” said the lawsuit filed by three law firms, Lite DePalma Greenberg; Schneider Wallace Cottrell Konecky Wotkyns; Berger & Montague.

Original Story Link: <http://www.pionline.com/article/20170526/ONLINE/170529904/princeton-becomes-latest-university-sued-over-alleged-fiduciary-breaches-in-dc-plans>