

Integrity 101: What Every Pension Professional Should Know



ASPPA

Making Retirement Plans Work

Part of the American Retirement Association

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Overview

- Understanding integrity
 - What is it
 - Why it matters
- How ASPPA's Code supports high-integrity practice
- Integrity and litigation risk

What Is Integrity?



Defining Integrity

- Integrity can be defined* three ways:

Incorruptibility: adherence to moral values

Soundness: an unimpaired condition

Completeness: the state of being undivided

**Adapted from the Merriam-Webster Online Dictionary*

Defining Integrity

- In professional practice, that translates to:

Incorruptibility: strong professional ethics

Soundness: robust practices

Completeness: unbiased expertise

Elements of Integrity

- Honesty
- Accountability
- Competence
- Loyalty
- Impartiality
- Civility
- Consistency

Honesty

- Truthfulness
- Straightforwardness
- Timeliness



Accountability



- Dependability
- Responsibility

Competence

- Expertise
 - Training
 - Experience
- Diligence
- Quality



Loyalty



- Allegiance
- Discretion

Impartiality

- Unbiased
- Unconflicted



Civility



- Respect
- Courtesy
- Cooperation

Consistency

- Clarity
- Reliability



SO WHAT?

INTEGRITY → TRUST

People Have Choices

- Would you work with a low-integrity professional?
- You're not alone!
- Even if your clients will, others won't
 - Clients' consultants
 - Your peers

Compliance

- Employee benefits field highly regulated
- Lots to keep track of already
- Is compliance enough?

Compliance ≠ Integrity

- Compliance = following rules
- Integrity = doing what's right
 - Incorruptibility: strong professional ethics
 - Soundness: robust practices
 - Completeness: unbiased expertise
- A true professional does *both*

ASPPA's Code of Conduct and Integrity

ASPPA's Code

- Preamble
 - Identifies ethical standards for members' compliance
 - Members must adhere
- Twelve sections (+ definitions)
- All support ASPPA members' integrity

Honesty

- § 2 – Advertising
- § 3 – Communications
- § 6 – Conflicts of Interest
- § 7 – Control of Work Product

Honesty (continued)

- § 9 – Disclosure
- § 10 – Professional Integrity
- § 12 – Titles and Credentials
- § 13 – Additional Obligations
 - Abide by other applicable codes
 - Respond promptly re: violations

Accountability

- § 3 – Communications
- § 4 – Compliance
- § 5 – Confidentiality
- § 6 – Conflicts of Interest
- § 7 – Control of Work Product

Accountability (continued)

- § 8 – Courtesy and Cooperation
- § 9 – Disclosure
- § 10 – Professional Integrity
- § 11 – Qualification Standards
- § 13 – Additional Obligations
 - Abide by other applicable codes

Competence

- § 4 – Compliance
- § 10 – Professional Integrity
- § 11 – Qualification Standards
- § 13 – Additional Obligations
 - Abide by other applicable codes

Loyalty

- § 3 – Communications
- § 4 – Compliance
- § 5 – Confidentiality
- § 6 – Conflicts of Interest
- § 7 – Control of Work Product

Loyalty (continued)

- § 8 – Courtesy and Cooperation
- § 9 – Disclosure
- § 10 – Professional Integrity
- § 13 – Additional Obligations
 - Abide by other applicable codes

Impartiality

- § 6 – Conflicts of Interest
- § 8 – Courtesy and Cooperation
- § 9 – Disclosure
- § 10 – Professional Integrity
- § 13 – Additional Obligations
 - Abide by other applicable codes
 - Respond promptly re: violations

Civility

- § 3 – Communications
- § 8 – Courtesy and Cooperation
- § 10 – Professional Integrity
- § 12 – Titles and Credentials
- § 13 – Additional Obligations
 - Abide by other applicable codes
 - Respond promptly re: violations

Consistency

- § 2 – Advertising
- § 3 – Communications
- § 4 – Compliance
- § 5 – Confidentiality
- § 6 – Conflicts of Interest

Consistency (continued)

- § 7 – Control of Work Product
- § 9 – Disclosure
- § 10 – Professional Integrity
- § 11 – Qualification Standards
- § 13 – Additional Obligations
 - Abide by other applicable codes

Integrity and Litigation

INTEGRITY → TRUST

TRUST → RESPECT

TRUST + RESPECT



GOOD RELATIONSHIPS

People Have Choices

- Would you sue someone you trusted and respected?
- Neither (probably) will your clients
- Clients give trusted professionals opportunities to cure
- Even if they don't ...

Breach of Contract

- Elements
 - Contract required certain actions
 - Professional didn't perform
 - Client was harmed
 - Money is owed

Breach of Contract (continued)

- High-Integrity Defenses
 - Required actions *were* performed; or
 - Something happened, professional offered to fix
 - Client could have been compensated
 - No/less money is owed

Malpractice

- Elements:
 - Established standard of care
 - Professional negligently breached it
 - Client was harmed
 - Money is owed

Malpractice (continued)

- Elements:
 - Professional met/exceeded standard of care; or
 - Something happened, professional offered to fix
 - Client could have been compensated
 - No/less money is owed

Integrity Enhances Practice

- High-quality work
 - Avoids accusations of sloppiness
- Clear, courteous communications
 - Avoids misunderstandings and fee disputes
- Trustworthy actions
- Respectable demeanor

INTEGRITY



BETTER WORK

BETTER RELATIONSHIPS

LESS LITIGATION RISK

Questions?