

FOR IMMEDIATE RELEASE
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ASPPA ISSUES COMMENT ON DOL FEE DISCLOSURE REGULATION *Practitioners Support Fee Transparency & Offer Recommendations*

ARLINGTON, VA, (August 30, 2010) –*The following is a statement from Brian Graff, executive director/CEO of the American Society of Pension Professionals & Actuaries (ASPPA) in response to the U.S. Department of Labor’s (DOL) request for comments on the [Interim Final Regulation §2550.408b-2\(c\)](#) which imposes new fee disclosure requirements on retirement plan service providers. Read the comment letter [here](#).*

“ASPPA and its affiliated organization, the Council of Independent 401(k) Recordkeepers (CIKR), issued their recommendations as requested by the U.S. Department of Labor (DOL) in a comment letter filed today with the agency’s Employee Benefits Security Administration (EBSA).

We strongly support the DOL’s regulatory initiative to clarify the disclosure of fees to plan fiduciaries under §408b2(c) and believe fee transparency will allow plan sponsors to make informed decisions in the operation of their retirement plans, which will ultimately benefit plan participants.

We urge the DOL to consider the following proposals based on recommendations from our diverse membership of retirement plan professionals which includes consultants, plan administrators, actuaries, accountants, and attorneys.

Definitions:

- Raising the de minimis threshold to \$2,500 for the calendar or plan year with an option to adjust for inflation (COLA).
- Clarification that separate independent third party administrative service agreements will not be considered as offering designated investment alternatives.
- Exclude educational and training expenses from compensation payments in accordance with FINRA rule 2830(1)(5) for covered service providers (CSP).
- Clarify that CSPs are not in “receipt” of compensation if they are simply a conduit for collection of such amounts.

Format of Disclosure:

- Suggest a summary of relevant disclosure information be mandatory in the final regulation.
- Recommend a one year transition period where disclosure summaries are permitted but not mandatory.
- Clarify that electronic transmission/delivery rules apply with guidance on permitted procedures.
- Recommend the safe harbor for dissemination of investment information apply to CSPs when that information is excerpted from source materials.

Timing of Disclosure

- Request the frequency and timing for mandatory disclosure be limited to a single annual notice with the option to release other updates online as needed.
- Suggest that requests for additional information be extended to a “reasonable time” from receipt of such a request.

Description of Services

- Require the CSP to explain disclosure information in “plain English,” with more details available upon request.

In conclusion, ASPPA and CIKR have formed a diverse group of industry experts from our membership to consider the issues associated with implementation of this new regulation. We look forward to working with DOL on implementation of the final regulation of 408(b)(2).”

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About ASPPA: [The American Society of Pension Professionals & Actuaries](#) (ASPPA) is a national organization of more than 7,000 retirement plan and benefits professionals that serves as the educator, voice, and advocate for the employer-based retirement system. ASPPA members are administrators, actuaries, advisors, attorneys, accountants, and other financial services professionals who provide consulting and administrative services for qualified retirement plans.

About CIKR: The [Council of Independent 401\(k\) Recordkeepers](#) (CIKR) is a national organization of 401(k) plan service providers. CIKR members are unique in that they are primarily in the business of providing retirement plan services as compared to financial services companies who primarily are in the business of selling investments. Collectively the members of CIKR provide services for over 68,000 retirement plans covering 2.8 million participants and holding in excess of \$120 billion in assets.