

NEWS RELEASE



American Society of Pension Professionals & Actuaries / Council of Independent 401(k) Recordkeepers /
National Association of Independent Retirement Plan Advisors

FOR IMMEDIATE RELEASE
March 24, 2009

Media Contact: Chris Robichaux
crobichaux@asppa.org

ASPPA, CIKR, & NAIRPA SUPPORT INDEPENDENT INVESTMENT ADVICE

Arlington, Va. – The American Society of Pension Professionals and Actuaries (ASPPA), the Council of Independent Recordkeepers (CIKR) and the National Association of Independent Retirement Plan Advisors (NAIRPA) urged Congress to expand the availability of independent investment advice for 401(k) plan participants. The three organizations joined in submitted testimony to the U.S. House Committee on Education and Labor Subcommittee on Health, Employment, Labor and Pensions.

“ASPPA has long been a strong proponent of independent investment advice,” said Brian Graff, ASPPA executive director and chief executive officer. “These difficult economic times make the case for independent advice even stronger, and we commend Chairman Andrews for holding this timely hearing.”

The organizations expressed concern that fee leveling at only an individual level, as would be permitted by the non-statutory Class Exemption in the U.S. Department of Labor final investment advice regulations, would subject plan participants to conflicted advice. ASPPA, CIKR, and NAIRPA recommended that in order to be an independent investment advisor, fees received by the advisory firm should not vary with the investment options selected by the plan or participants, and the firm should not be directly or indirectly part of a controlled group that includes a financial services firm. Additionally, they emphasized that the advisor should disclose expected fees in advance of an engagement, actual fees should be reported annually thereafter, and the advisor should acknowledge that the advisor is the plan fiduciary of all plans for which it serves as a retirement plan advisor. The submitted testimony is available at www.asppa.org.

###

ASPPA is a national organization of more than 6,500 retirement plan professionals who provide consulting and administrative services for qualified retirement plans covering millions of American workers. ASPPA members are retirement professionals of all disciplines including consultants, administrators, actuaries, accountants and attorneys. The large and broad-based ASPPA membership gives it unusual insight into current practical problems with the Employee Retirement Income Security Act and qualified retirement plans with a particular focus on the issues faced by small- to medium-sized employers. ASPPA membership is diverse and united by a common dedication to the private retirement plan system.

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. As a consequence, the independent members of CIKR offer plan sponsors and participants a wide variety of investment options from various financial services companies without an inherent conflict of interest. By focusing their businesses on efficient retirement plan operations and innovative plan sponsor and participant services, CIKR members are a significant and important segment of the retirement plan service provider marketplace. Collectively, the members of CIKR provide services to approximately 68,000 plans covering 2.8 million participants and holding in excess of \$120 billion in assets.

NAIRPA is a national organization of firms not affiliated with financial services companies that provide independent investment advice to retirement plans and participants. NAIRPA members are registered investment advisors whose fees for investment advisory services do not vary with the investment options selected by the plan or participants. Additionally, NAIRPA members commit to disclosing expected fees in advance of an engagement, reporting fees annually thereafter, and agreeing to serve as a plan fiduciary to all plans for which it serves as a retirement plan advisor.

4245 North Fairfax Drive, Suite 750 · Arlington, VA 22203-1648

P. 703.516.9300 · F. 703.516.9308 · www.asppa.org