

# NEWS RELEASE



American Society of Pension Professionals & Actuaries / Council of Independent 401(k) Recordkeepers

**FOR IMMEDIATE RELEASE**

**Contact:** Chris Robichaux

[crobichaux@asppa.org](mailto:crobichaux@asppa.org)

703-516-9300 x 130

## ***ASPPA and CIKR Recommend Changes in Proposed 408(b)(2) Regulations at DOL***

Washington, D.C. – Mar. 31, 2008 – The American Society of Pension Professionals & Actuaries (ASPPA) and the Council of Independent 401(k) Recordkeepers (CIKR) today recommended in testimony that the U.S. Department of Labor require a consolidated form of disclosure for all service providers regarding 408(b)(2) plans. Representing ASPPA and CIKR, Bruce Ashton commended the Labor Department on doing a good job on the proposed regulations and outlined a number of suggestions for uniformity and efficiency in disclosure requirements.

Ashton said the proposed regulation would cause a sweeping change in how plan service arrangements are made and documented in the future. He said that ASPPA and CIKR believe there are some areas for improvements in the proposed regulations.

“We encourage the department to require compensation disclosure in three categories of fee and expense information – investment-related, transaction-related, and record keeping and administrative,” Ashton said. He said this type of disclosure should be required of all providers, whether or not they are a bundled provider under the proposed regulation. “In the small plan market, this type of disclosure would be essential to provide the most meaningful disclosure to decision makers,” Ashton said.

Ashton, of the Reish Luftman Reicher & Cohen law firm in Los Angeles, recommended there be a uniform disclosure requirement about investment fees and expenses, transaction fees and expenses, and record-keeping and administrative fees and expenses. He requested that the effective date of regulation of new and existing arrangements be no sooner than January 1, 2008. He proposed that the Labor Department include a materiality standard and a compliance standard for disclosures of substantial compliance exceptions. Ashton further urged the department to provide a “cure” period for inadvertent failures and a clarification that correction of a failure only would apply to compensation related to missing information and not to all compensation received by a service provider.

###

ASPPA is a national organization of more than 6,000 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. 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.

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

**P. 703.516.9300 · F. 703.516.9308 · [www.asppa.org](http://www.asppa.org)**