



**Letter of Support for H.R. 1984  
(the “401(k) Fair Disclosure for Retirement Security Act of 2009”)**

April 24, 2009

The Honorable George Miller  
U.S. House of Representatives  
Chair, House Education and Labor Committee  
2181 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Miller:

On behalf of the American Society of Pension Professionals & Actuaries (ASPPA), the Council of Independent 401(k) Recordkeepers (CIKR), and the National Association of Independent Retirement Plan Advisors (NAIRPA), we hereby express our support for 401(k) fee disclosure legislation (H.R. 1984) which was recently reintroduced in the 111<sup>th</sup> Congress.

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. 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 which provide independent investment advice to retirement plans and participants. NAIRPA's members are registered investment advisors whose fees for investment advisory services do not vary with the investment options selected by the plan or participants. In addition, NAIRPA members commit to disclosing expected fees in advance of an engagement, reporting fees annually thereafter and agreeing to serve as a plan fiduciary with respect to all plans for which it serves as a retirement plan advisor.

ASPPA, CIRK and NAIRPA applaud the bill's uniform application of its disclosure rules to all services providers, regardless of their business structure. Rather than mandating a particular business model, the amended legislation treats all business models equally and fairly.

ASPPA, CIKR and NAIRPA particularly support the bill's requirement that all 401(k) service providers issue a fee disclosure statement to the plan administrator in advance of entering into a contract for services. Specifically, the bill would require that all plan fees be allocated into four uniform categories: (1) plan administrative and recordkeeping charges; (2) transaction-based charges; (3) investment management charges; and (4) other charges as may be specified by the Secretary of Labor. These categories will permit plan fiduciaries to assess the reasonableness of fees by allowing an "apples-to-apples" comparison to other providers, and will allow plan fiduciaries to determine whether or not certain services are needed, leading to potentially even lower fees.

ASPPA, CIKR and NAIRPA commend Chairman Miller for his leadership in enhancing the disclosure of fees to retirement plan fiduciaries and participants, which is critical to securing a dignified retirement for American workers. The Committee's consistent focus on retirement issues over the years has effectively increased attention on the retirement security of our nation's workers.

Again, ASPPA, CIKR and NAIRPA applaud your proposal, enthusiastically support it, and stand ready to assist you in your effort to enact it.

Sincerely,

A handwritten signature in black ink, appearing to read "B.H. Graff". The signature is fluid and cursive, written in a professional style.

Brian H. Graff, Esq., APM  
ASPPA Executive Director/CEO