
Annual report on 401(k) cost information is published

By Editorial Staff *Thu, Apr 10, 2014*

The study shows the average investment expense for a 100-participant, \$5 million plan is 1.22%. This figure includes 0.56% for the investment manager and 0.66% for recordkeepers, advisors and platform providers.

The average total plan cost for a small retirement plan with 100 participants and \$5 million in assets is 1.29%. That matches last year's figure but is down from 1.33% three years ago, according to the 14th edition of the 401k Averages Book.

"Fee disclosure has created greater transparency and plan sponsors now have a better idea of how total plan costs breakdown," said David Huntley, the book's co-author, in a release.

The study shows the average investment expense for the same size plan mentioned above is 1.22%. This figure includes 0.56% (net investment) for the investment manager and 0.66% (revenue sharing) for recordkeepers, advisors and platform providers.

"Over the last couple of years small plan sponsors and their advisors have done a great job getting up to speed on employer and participant fee disclosures," said Joseph Valletta, co-author of the book.

First published in 1995, the annual provides comparative 401(k) average cost information. The 14th Edition of the 401k Averages Book is available for \$95. Advisors may purchase an annual Individual Advisor License that allows them to use the data in their client reports.

© 2014 RIJ Publishing LLC. All rights reserved.