
ASPPA Supports DOL-Mandated Fee Disclosure

By Editor Test *Sun, Jul 18, 2010*

Over time, the fees and expenses charged to DC plan accounts can take a substantial bite out of retirees' retirement savings, said the CEO of the plan sponsor advisers and actuaries group.

Brian Graff, executive director/CEO of the American Society of Pension Professionals & Actuaries (ASPPA) released the following comment on the U.S. Department of Labor's (DOL) recently released 408(b)(2) regulations, which impose new fee disclosure requirements on retirement plan service providers.

"We commend the U.S. Department of Labor (DOL) for issuing regulations that will bring greater transparency and disclosure of fees charged to retirement plans. We believe these new fee disclosure rules benefit both plan sponsors and providers. Providers now have clear guidance on what disclosures are required and plan sponsors will have the information they need to make informed choices about their retirement plans.

Defined contribution plans, such as 401(k) plans, serve as the primary retirement savings account for many American workers—but the fees and expenses charged to these plan accounts can add up over time to take a substantial bite out of retirees' retirement savings. Thanks to the new DOL guidance, the rules on fee disclosure will be applied in a uniform manner to all retirement service providers, regardless of how plan services are delivered.

In order to meet their fiduciary responsibilities under ERISA, plan sponsors need to make an "apples to apples" comparison of the fees charged by retirement plan service providers. Complete and consistent fee disclosure, including the specific requirement for the disclosure of fees associated with recordkeeping services, is now the standard for both bundled and unbundled service providers. By promoting fair competition, these new fee disclosure requirements will help ensure that the fees paid by plan sponsors and participants for retirement plan services are reasonable.

ASPPA and its affiliated organizations, which include the Council of Independent 401(k) Recordkeepers (CIKR), and the National Association of Independent Retirement Plan Advisors (NAIRPA), have long advocated for required disclosure of fees for retirement plan services such as investment management, recordkeeping and administration, and transaction based charges. Such information will allow plan sponsors to make educated decisions about how to operate their retirement plans to the ultimate benefit of plan participants.

ASPPA, CIKR and NAIRPA applaud the DOL's decision to amend the regulation under [ERISA Section 408\(b\)\(2\)](#) and look forward to working with DOL on the transition required to implement the immense changes required by the new regulations."