

3Q 2010



Participant Fee Disclosure

On October 20, 2010 the DOL published its participant fee disclosure regulation in an attempt to provide information that will allow all participants, in participant-directed plans, to properly analyze their investment options. The new guidelines are issued under Section 404(a) of ERISA, and are set to become effective for the first plan year beginning on, or after, November 1, 2011 (for calendar-year plans the effective date is January 1, 2012).

The recently finalized regulation is intended to have fiduciaries provide participants with meaningful information to make educated decisions regarding their plan and alternatives. The disclosure information falls into 3 broad categories: general plan information, expenses, and investment-related information. Plan sponsors are accountable for complying with the recent regulations; however, they are permitted to rely on information received from plan service and investment providers. Plan sponsors should consider consulting with their vendors, consultants, and/or legal counsel to ensure proper compliance with the new regulation.



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