Plan Sponsor Fee Disclosure Guide

The time is upon us to prepare for fee disclosure. The Department of Labor (DOL) requires you, as plan administrators, to provide participants additional information about the fees and expenses associated with a retirement plan. Benefit Consultants Group (BCG) has always been committed to fee transparency and remains dedicated to this practice.

The U.S. Department of Labor's two new regulations address fee disclosure − and will require action in 2012. They are as follows:

408(b)(2) - Requires service providers to fully disclose to the plan fiduciary (usually the plan sponsor) information on fees, compensation and services provided to the plan. The purpose is to facilitate the plan fiduciary's review of the fees.

404(a)(5) - Requires plan fiduciaries to communicate administrative, individual and investment-related expenses associated with the plan to eligible employees, plan participants and beneficiaries with the right to direct investments.

What does this mean for plan sponsors?
408(b)(2) - Plan sponsors should review all services, fees and compensation information of service providers to determine if charges are reasonable and appropriate for their plan.

404(a)(5) - Plan sponsors are required to send participant disclosure documents that include:
- On an annual basis, plan, fee and fund-related information
- On a quarterly basis, statements showing administrative and individual expenses that the participant actually incurred

We're Here to Help!

To help navigate and comply with these new participant fee disclosure rules, BCG will be providing you with the following:

408(b)(2)
- A Service and Fee Disclosure Packet
- A wealth of Educational Materials
- An enhanced Plan Sponsor and Plan Participant Website with a section on Fee Disclosures

404(a)(5)
- Provide participant disclosures for plan and investment-related fees
- Include necessary fee disclosure on quarterly participant statements
- Offer website access for non-participating, eligible employees to disclose required information
- Provide a web page containing the information plan sponsors need to disclose to participants

We will be working closely with you over the next few months to ensure you have the support you need concerning these new fee disclosure regulations. We will also be providing additional educational pieces to review and share with your employees.

For questions, please contact your plan account manager at 1-800-524-4015, option 5.

Available Now!

BCG has created valuable educational materials for you and your employees to utilize regarding these new fee disclosure regulations. Simply go to www.bcgbenefits.com and click on the ***Fee Disclosure Important Information*** button.

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