

Pension Plan Fix-It Handbook

Employee Benefits Series

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Are You Ready for New Fee Disclosure Requirements?

In April 2012, retirement plan fiduciaries will have the added responsibilities of identifying, understanding and assessing fees associated with plan services and investments for reasonableness. Additional effort may be needed to ensure that covered service providers satisfy disclosure requirements in order to qualify for the statutory exemption for services under ERISA Section 408(b)(2).

A new report by Verisight and RSM McGladrey, “2011/2012 Compensation, Retirement and Benefits Trends Report,” stated that 61 percent of plan sponsors claim to be unprepared for new fee disclosure regulations that go into effect for the 2012 plan year. In this month’s column, Contributing Editor Mary B. Andersen gives you a step-by-step process to make sure you’re one of the 39 percent that are ready to go. *Page 2*

Understanding Your Plan’s Service and Investment Fees

Satisfying the new fee disclosure regulations may involve breaking down the bundle of fees your plan faces to take a closer look.

In a second look at the fee disclosure regulations, Arris Reddick Murphy, the editor of Thompson Publishing Group’s *The 401(k) Handbook*, also focuses on these new requirements, and provides some direction through the maze that will be delivered to plan fiduciaries with the April 2012 effective date. She explains all the various types of fees that may be affected by the new rules — a range of administration, investment and advisory fees — that may come to light as a result of the ERISA-required fee disclosures. *Page 4*

Pension Benefit Guaranty Corp. Issues Guidance for 2012 Plan Years

The Pension Benefit Guaranty Corporation (PBGC) issued a wealth of guidances concerning 2012 plan years in late 2011.

Be sure to look inside for the following: an explanation of Technical Update 11-1, which discussed the reportable events requirement as it related to funding-related determinations and missed quarterly contributions; the PBGC’s joint direction with the IRS and DOL on the intricacies of filling out the Form 5500; an uptick in projected retirement ages; and more. *Page 7*

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Update Pages

- ¶520 — Updated discussion on fee disclosures.
- ¶521 — Added Fig. 521-B to include information on fee disclosures.
- ¶640 — Updated discussion on vesting interests.

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