

Beware of “D” Word: Disclosure

In a July 2008 report, the Government Accountability Office (GAO) asked Congress to consider amending ERISA to 1) explicitly require 401(k) service providers to disclose to plan sponsors the compensation they receive from other service providers, and 2) give the Department of Labor (DOL) the authority to recover plan losses against certain types of service providers, even if they are not currently considered fiduciaries to that plan under the Employee Retirement Income Security Act of 1974 (ERISA). The DOL has issued proposed regulations under ERISA Sec. 408(b)(2) that would, if finalized, address item #1 with respect to increased disclosure requirements. The DOL has not yet responded to item #2, regarding increased enforcement.

Link to full GAO report entitled, “Fulfilling Fiduciary Obligations Can Present Challenges for 401(k) Plan Sponsors”

<http://www.gao.gov/new.items/d08774.pdf>

©2008 Retirement Learning Center, LLC