

# 401(k) fee disclosure a hot topic in Washington

Want to know a hot topic in Washington, D.C., these days? Try 401(k) fee disclosure.

New regulations have been enacted that require service providers to show employers and their employees exactly what fees are being deducted from their 401(k) accounts. Such plans and their participants pay billions of dollars in fees each year.

Prior to this legislation, getting a 401(k) provider to disclose all of the fees being charged to the plan was very challenging.

The plan fiduciary, typically a company's CFO, is responsible for evaluating the reasonableness of

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the fees charged, but until now, access to the data had not been readily available. If the Department of Labor audits the plan and finds that a breach of fiduciary duty has occurred, not only can the company be held responsible, but the fiduciary has personal liability as well, which can be a pretty scary thought.

It is important to understand

what services your financial advisor is providing to your plan. At a minimum, you should require your advisor to:

- Be a "specialist" in the retirement plan market.
- Acknowledge, in writing, their role as a co-fiduciary.
- Assist the company in creating an investment committee and developing an investment policy statement.
- Perform a benchmark comparison of your plan's fees and services with industry peers.
- Analyze the current plan document and recommend ways to optimize.

■ Establish an employee education plan and conduct regularly scheduled educational meetings.

■ Perform investment analysis and monitor the performance of the funds on a quarterly basis.

■ Assist with vendor searches.

If your advisor is not willing to provide these services, it may be a good idea to shop around for an advisor who specializes in servicing 401(k) plans. In today's litigious society, do you really want to expose your company (or yourself) to increased fiduciary risk?

**Carl Dekle of Mobile-based PlanFocus Financial Services is a registered representative with LPL Financial.**



Courtesy of PEP

**Mobile-based industrial trade group Partners for Environmental Progress** recently honored five companies and a community group with Environmental Stewardship Awards. Companies recognized during the PEP annual meeting at 5 Rivers Delta Center on the Causeway included Aerostar Environmental Services Inc., Arkema Inc., BASF Corp., E.I. DuPont de Nemours and Co. and White-Spinner Construction Inc. PEP also honored the Downtown Mobile Alliance for its promotion of smart growth and work to improve downtown Mobile. Pictured are, front from left, Tiffany Seibt and Angie Rangel, Aerostar; Elizabeth Sanders, Downtown Mobile Alliance; Zak DuGla, DuPont; back from left, Seth Smith and Max Herlong, White-Spinner; Tom Grimm, Arkema; Maurice Ware, BASF; and David Williams, DuPont.

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