



News Release

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BROAD ADOPTION OF SPARK INSTITUTE 403(b) PLAN BEST PRACTICES, ACCORDING TO SURVEY

SIMSBURY, CT, Dec. 8 – As the one year anniversary of life under the new 403(b) regulations approaches, significant majorities of plan service providers responding to a recent SPARK Institute survey said they are already adhering to, or intend to adhere to, the Institute’s best practices, according to Larry Goldbrum, General Counsel. More than 80% of respondents said they intended to adhere to the newest version of The SPARK Institute’s Data Elements Information Sharing Best Practices (Version 1.04, effective January 1, 2010). Additionally, more than 60% of respondents said they planned to adhere to The SPARK Institute’s latest best practices for sharing Remittance and Census Data (Version RC 1.0, effective July 1, 2010).

“We’ve had a very positive response to our Best Practices for Information Sharing since their introduction, and it’s good to see that such a large percentage of the industry intends to adhere to the guidelines that we developed together with many of the leading service providers in the industry,” said Goldbrum. “The Data Elements Best Practices help service providers share information with each other and plan sponsors. The latest changes to those Best Practices address a number of questions and comments we received from users during 2009,” Goldbrum said. “The feedback helped us improve the Best Practices while minimizing the disruption and changes that service providers would have to make to their systems.”

Goldbrum said that the new Remittance and Census Data Elements Best Practices were developed because there was a significant need for a robust and standardized way for employers to provide remittance and employee census data to their vendors. “We’re pleased that such a significant percentage of organizations are already planning to follow the Remittance and Census Data Elements Best Practices and hope that more decide to do as they see the benefits of these guidelines,” he said.

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The survey was conducted to provide information that will help investment providers, record keepers and plan sponsors understand how their counterparts are handling information sharing issues and challenges, said Goldbrum. “The results will also help The SPARK Institute to further enhance and develop best practices and education sessions for the 403(b) plans community.” The survey was completed between October 14 and November 2 by 42 institutions, including both SPARK Institute member and non-member companies.

The SPARK Institute is currently developing guidelines to help employers and vendors of multiple vendor ERISA-covered 403(b) plans gather information for the 2009 Form 5500 requirements. The SPARK Institute intends to seek comments from non-members regarding these 5500 guidelines.

Copies of the Best Practices documents are available under the “403(b) Plans Materials” heading on The SPARK Institute web site at <http://www.sparkinstitute.org/comments-and-materials.php> along with a memo with the survey results under the “New Materials” heading.

The SPARK Institute is the leading voice in Washington for the retirement services industry. Through the combined expertise of its member companies, The SPARK Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. Collectively, its members serve over 62 million participants in 401(k), 403(b) and other defined contribution plans.

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