



## News Release

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**THE SPARK INSTITUTE ISSUES ALERT REGARDING RETIREMENT PLAN  
PARTICIPANT FEE DISCLOSURE FOR NON-MUTUAL FUND INVESTMENTS,  
ANNOUNCES EFFORT TO DEVELOP STANDARDS TO FACILITATE DISCLOSURE**

SIMSBURY, CT, December 21 – The SPARK Institute today issued a “Compliance Alert” regarding potential disclosure problems and fiduciary issues for retirement plan sponsors and certain providers of plan investment options, said Larry Goldbrum, General Counsel. The Institute also announced that it has begun an initiative to help address the disclosure issues.

“Under the Department of Labor’s (“DOL”) participant disclosure regulations, plan sponsors are required to provide participants with information about all of their plans’ investment options in a single chart or similar format to facilitate the comparison of each option offered under the plans,” Goldbrum said. “However, many investment managers and providers of non-registered investments, such as bank collective funds, separately managed accounts and annuities, may be surprised that they will have to make significant new information available in order for plan sponsors to comply with the new regulations,” he said. “Some non-registered investment providers may not have the information readily available, and developing the information and cost-effective methods for providing it to plan sponsors and plan record keepers could be complex and time consuming.” Goldbrum added. The Compliance Alert is posted on The SPARK Institute website at <http://www.sparkinstitute.org/comments-and-materials.php>.

Goldbrum noted that plan sponsors face potentially significant fiduciary issues if an investment provider is unable or unwilling to provide the information that the plan needs in order to comply with the rule. “Plan sponsors should act now to ensure that their non-registered investment providers are preparing the information needed,” he stressed.

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“Although the regulation states that plan sponsors can rely on the information provided to them by a third party, one has to question the prudence and soundness of a decision to continue offering a fund that is unwilling or unable to provide information that the DOL has stated should be provided to participants,” he said. As a result, Goldbrum said plan sponsors may be put in the position of having to drop an investment option if the investment provider cannot supply the information that is required.

**Information Sharing Initiative Announced**

In order to address these concerns, Goldbrum said that The SPARK Institute has begun a new initiative to develop data standards for retirement plan record keepers and providers of non-registered investment fund providers to enable them to electronically share information with each other and with existing investment information aggregators. “We are leveraging the experience and expertise we have from developing information sharing standards for 403(b) plans and lifetime income solutions to identify that data that should be shared and establish the formats and protocol for sharing it,” he said.

The SPARK Institute represents the interests of a broad based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third party administrators, trade clearing firms and benefits consultants. Through the combined expertise of its member companies, the 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) and other defined contribution plans.

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