THE SPARK Institute, Inc.

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SPARK INSTITUTE ASKS DOL TO ALLOW FLEXIBILITY IN ONGOING DEADLINE FOR PARTICIPANT FEE AND INVESTMENT DISCLOSURES

SIMSBURY, CT, June 10 -- The SPARK Institute today submitted a request for guidance to the U.S. Department of Labor ("DOL") to address concerns about the ongoing deadline for furnishing participant fee and investment disclosure materials. According to Larry Goldbrum, General Counsel of The SPARK Institute, "Plan sponsors are requesting that their service providers combine the 404a-5 disclosures with other plan materials, such as year-end disclosures, or provide them after the start of a new calendar year when year-end investment alternative performance and benchmark information is available." The 404a-5 participant disclosure regulations that took effect in 2012 require plan sponsors to furnish certain materials at least annually, which is defined as "at least once in any 12-month period." Out of an abundance of caution, the rule is being interpreted as requiring this and future years' materials to be furnished within 12 months of the prior year's disclosures (generally by August 30th). "That is hindering many plan sponsors from being able to synchronize the delivery of the 404a-5 disclosures with other plan materials, and adding to plan costs," Goldbrum said.

The SPARK Institute asked the DOL to issue guidance that would allow good faith compliance with the "at least annually" requirement by permitting plan sponsors to furnish the materials at any time during each calendar year, provided that the materials are furnished no more than 18 months from the date the prior year's materials were provided. "The proposed approach will simplify and facilitate efficient compliance with the 404a-5 participant disclosure regulations," Goldbrum said. "The 18-month compliance window will allow plan sponsors to synchronize delivery of the 404a-5 materials with other disclosures and notices, and will reduce plan costs by eliminating one or more separate mailings of the investment option comparative chart," he added.

While the proposed relief creates an 18-month compliance window, it does not permit plan sponsors to skip delivering plan materials in any calendar year.

The letter to the DOL is available on The SPARK Institute's website at www.sparkinstitute.org/comments-and-materials.php.

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 approximately 70 million participants in 401(k) and other defined contribution plans.

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