



News Release

DATE: July 23, 2007
CONTACT: Jeff Close, The SPARK Institute
860-658-5058

THE SPARK INSTITUTE RECOMMENDS SIMPLIFICATION AND EFFICIENCY IN FEE DISCLOSURE TO 401(K) PARTICIPANTS

SIMSBURY, CT, July 23 – In a comment letter submitted to the Employee Benefits Security Administration (EBSA) of the U.S. Department of Labor today, The SPARK Institute recommended the development of simple, useful and cost efficient means of disclosing fee information to retirement plan participants. To support that goal, The Institute outlined six guiding principles for EBSA to consider in developing its participant fee disclosure guidance:

1. Fee information is only one of many data points and arguably not the most important one that participants should consider in making investment decisions.
2. Over-emphasis on fees and expenses may lead to poor investment decisions, as well as lower employee participation and contributions to employer sponsored retirement plans.
3. Participant fee disclosure must be short and simple to have any chance of being effective.
4. Only information that is reasonably likely to be read and influence the investment decisions of otherwise passive participant investors in choosing among their plans' investment options should be included in any required disclosure.
5. Participants will ultimately bear the costs of any required disclosure and access to additional information.
6. Fee disclosure requirements should neither favor any one retirement plan or investment industry segment nor disrupt the current competitive balance among such service providers.

-more-

