

New Retirement Plan Fee Disclosure Rules

Physicians who provide a 401(k) or other participant-directed retirement plan for their employees should be aware of new rules that mandate the disclosure of plan-related fees and expenses to participants and beneficiaries by the plan administrator.

The regulations are meant to ensure that participants and beneficiaries who can self direct the investment of any of the assets in their individual plan accounts have enough information to allow them to make informed decisions about managing and investing their plan accounts.

General Plan Information

Participants must be informed annually (and upon initial enrollment) of any fees and expenses for general plan administrative services that may be charged or deducted from their accounts. These include the costs of legal, accounting, and recordkeeping services, and for processing qualified domestic relations orders (QDROs) and plan loans.

In addition, you must provide quarterly statements showing the dollar amount of the plan-related fees and expenses (whether administrative or individual) charged to or deducted from the individual accounts as well as provide a description of the services for which the charge or deduction was made. These disclosures may be included in your plan's quarterly benefit statements.

Investment Information

Participants also must be given information related to plan investment options, including:

- o One-, five-, and ten-year returns for mutual funds and other investment options that don't have a fixed rate of return
- o The annual rate of return and term for fixed-rate investments
- o For mutual funds and other plan investment options that do not have a fixed rate of return, the name and one-, five-, and 10-year returns of an appropriate benchmark index that match the plan investment performance data periods, as well as total annual operating expenses expressed as both a percentage of assets and as a dollar amount per \$1,000 invested.

A calendar-year plan must provide the first set of initial disclosures no later than May 31, 2012, and furnish the first quarterly fee statements by August 14, 2012. opportunities for employers who have previously treated severance payments as wages.