

ICI Supports Labor Department's Reform of Retirement Plan Disclosure, November 2007

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Washington, DC, November 27, 2007 - The Investment Company Institute today issued a statement supporting the Department of Labor's rule changes to improve the disclosures that benefit plans, including retirement plans, provide to the government and the public on Form 5500. Mary Podesta, Senior Counsel for Pension Regulation at ICI, made the following statement:

"The Department of Labor's adoption of new disclosure rules for employers who sponsor retirement plans such as 401(k)s represents a big and welcome step toward greater transparency for retirement plans.

"The new rules substantially increase the amount of information that employers who sponsor these retirement plans will report to the government on Form 5500 about the use and compensation of service providers.

"Mutual fund prospectuses already provide comprehensive disclosure of fund fees and expenses—the most disclosure, in fact, of any investment product offered in 401(k) plans. We are pleased that the rules allow employers to rely on existing disclosure documents that provide the required information.

"The new rules also will allow plan sponsors to file Form 5500 electronically, making the information more useful to the Labor Department and more accessible to the public.

"We look forward now to further steps by the Department toward improved disclosure for retirement plans and savers—starting with Labor's forthcoming proposals on disclosure by service providers to employers who sponsor plans, and on sponsors' disclosure to workers who are plan participants."