



COUNSELLORS AT LAW

## EMPLOYEE BENEFITS AND EXECUTIVE COMPENSATION ALERT

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**REMINDER: IMPENDING SERVICE PROVIDER FEE DISCLOSURE DEADLINE; AND APPROACHING PARTICIPANT FEE DISCLOSURE DEADLINE**

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June 2012

**July 1, 2012, is the deadline** for each retirement plan service provider that anticipates receiving at least \$1,000 in direct or indirect compensation for providing services to a retirement plan to furnish the plan sponsor with certain required fee information. See our March 2012 Client Alert entitled *DOL Revises Fee Disclosure Regulations, Extends Compliance Deadlines* (the “March Alert”), [here](#). Accordingly, each plan sponsor is required to receive the information no later than July 1, 2012. If a plan sponsor has not already done so, it should request such information as soon as possible and take appropriate action if the information is not timely provided.

### What A Plan Sponsor Should Do Now

Given the imminent July 1, 2012, deadline, a plan sponsor should:

- identify those plan service providers with whom they have not already been in contact regarding the fee disclosures, and contact them to ascertain the status of the fee disclosures;
- ensure that the service providers furnish the fee disclosures by July 1, 2012; and
- review the fee disclosures in order to evaluate the reasonableness of the fees being charged.

**August 30, 2012** (or, if later, 60 days after the first day of the first plan year that begins after October 31, 2011), is the deadline for the sponsor of a participant-directed individual account plan (“Participant-Directed Plan”) to furnish participants with detailed information regarding certain plan fees and expenses. The attachment to the March Alert contains an explanation of the information that is required to be disclosed.

In addition to the distribution of initial plan-level and investment-level disclosures that are due by August 30, 2012, for a calendar year plan, each sponsor of a Participant-Directed Plan must also furnish participants with a quarterly statement regarding certain expenses incurred over the preceding plan year quarter. The first quarterly statement subject to the new disclosure rules is due 45 days after the end of the quarter that includes the deadline for the initial plan-level and investment-level disclosure. Therefore the initial quarterly statement for a plan with a calendar year plan year is due no later than November 14, 2012. For details regarding the information that must be included in the quarterly statement, see the attachment to the March Alert.

## What A Plan Sponsor Should Do Now

The sponsor of a Participant-Directed Plan should communicate with plan service providers to determine which parties will be responsible for preparing the required fee disclosures and to establish the methods to be used for distributing such information to plan participants. For details regarding the acceptable methods of distribution, including electronic distribution, please see our May 2012 Client Alert, *Updated Guidance on Electronic Delivery of Certain Participant Disclosures*, [here](#).

***If you have any questions concerning the Department of Labor (“DOL”) regulations regarding service provider fee disclosures or Participant-Directed Plan disclosures, please contact us.***

*Note from the Editor* This edition of the *Employee Benefits and Executive Compensation Alert* concerns deadlines for compliance with DOL rules regarding service provider fee disclosures and participant-directed individual account plan disclosures. The Alert was written by Devin M. Karas, a member of the Employee Benefits & Pension Practice Area at Reid and Riege, P.C., One Financial Plaza, Hartford, CT 06103. The Practice Area works closely with clients to design and draft tax-qualified and nonqualified retirement plans, and counsels on compliance with the complex and changing rules governing such plans. For information or additional copies of this Alert, or to be placed on our mailing list, please contact Devin (tel. 860-240-1063)(e-mail [dkaras@rrlawpc.com](mailto:dkaras@rrlawpc.com)), another member of the Practice Area: John J. Jacobson, Chairman (tel. 860-240-1006) (e-mail [jjacobson@rrlawpc.com](mailto:jjacobson@rrlawpc.com)), John V. Galiette (tel. 860-240-1009) (e-mail [jgaliette@rrlawpc.com](mailto:jgaliette@rrlawpc.com)), Ronald J. Koniuta (tel. 860-240-1034) (e-mail [rkoniuta@rrlawpc.com](mailto:rkoniuta@rrlawpc.com)) or Ereik M. Sharp (tel. 860-240-1074) (e-mail [esharp@rrlawpc.com](mailto:esharp@rrlawpc.com)), or the Reid and Riege attorney with whom you regularly work. For other information regarding Reid and Riege, P.C., please visit our web site at [www.rrlawpc.com](http://www.rrlawpc.com).

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