



SALES NOTE

June 2011

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Are You Fee Ready?

January 1, 2012 is an important day for advisors of qualified retirement plan business. This is the date service providers (including advisors) to qualified retirement plans must comply with the Department of Labor (DOL) service provider fee disclosure requirements. Failure to comply means a service provider has engaged in a prohibited transaction with the plan.

In addition, the DOL finalized participant-level fee disclosure regulations that require detailed fee and investment information be provided to all plan participants. The regulations make it a fiduciary responsibility of the plan administrator (usually the employer sponsoring the plan) to ensure the participant fee disclosure requirements have been met. It is anticipated that recordkeeping platforms currently providing participant enrollment materials and ongoing benefit statements will assist in providing these disclosures on behalf of the plan administrator.

What are the next steps for advisors to ensure compliance with these requirements?

First, advisors should begin reviewing their client service agreements to ensure the agreements are in compliance with the new requirements. Advisors without service agreements should contact their compliance departments to discuss if a service agreement is necessary based on the advisors business model and compensation structure. Goldleaf Partners (GLP) recommends advisors establish a fee disclosure timeline and strive to have the necessary disclosures to their clients in early December. Advisors may want to consider a face-to-face meeting with their clients to review fee disclosure documents.

Second, the advisor should contact their 401(k) platform partners to ascertain if the partner is prepared for the January 1, 2012 fee disclosure deadline. Goldleaf Partners encourages advisors to request a platform provider send written confirmation to a plan administrator during the 2011 calendar year, to establish the platform provider's ability to provide the participant level disclosures, including any limitations that may require a solution outside of the provider's platform.

Practice Tip:

Most Administration (TPA) firms will be required to make the necessary disclosures under the new 408(b)(2) regulations. The GLP Sales team can help you review your current book of

retirement plan business for TPA relationships that may result in questions from business owner clients about how revenue sharing payments are being used by the TPA firm. We can also discuss how our gross-to-net pricing model will put you in a competitive advantage in the marketplace once the 408(b)(2) rules come into effect. Contact your regional Sales Director for more information.

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