



Fee Disclosure Awareness Notice

The Department of Labor (DOL) has concerns that communication between plan fiduciaries and service providers regarding fees for 401(k) services is not sufficient or comprehensive. According to the DOL, a plan fiduciary may consider plan fees in making funding or operating decisions of plans subject to ERISA and should be privy to such information to determine the reasonability of said fees. Also, there is reservation regarding the level to which plan participants are informed about plan expenses paid using plan assets. Therefore, it is the opinion of the DOL that adjustments are necessary to diminish any breaches in communication. This objective is being addressed in three separate initiatives.

- 1) Form 5500 regulations were released, effective for 2009 year reporting (reporting following plan year, thus completed in 2010). Included are more detailed conflicts of interest, compensation, & fee disclosures for plan service providers (Schedule C reporting).
- 2) ERISA Section 408(b)(2) regulations have been proposed which will require plan service providers to make available conflicts of interest, compensation, & fee disclosures to plan fiduciaries prior to contract entry or signage.
- 3) Participant disclosure requirements have been proposed which will require enhancements to plan information disclosure, investment alternatives, and related fees & expenses for which participant accounts will be charged. Additional regulations will require information, such as fund performance and fees, to be provided in a chart for easy comparison.

Dyatech fully supports the efforts of the DOL in preventing fee concealment and assisting plan fiduciaries and participants make sound 401k plan decisions. We are working diligently to ensure we have apparatus in place to meet or exceed DOL requirements when final regulations are announced. The proposed regulations for ERISA Section 408(b)(2) and participant disclosure are not finalized, and the DOL is continually addressing issues and molding regulations. As the details of the regulations are uncertain at this time, Dyatech joins all other retirement plan industry providers in waiting for final regulations before completing our compliance efforts. We are following the issues closely and evaluating the necessary steps to upgrade our procedures and systems as we receive information. Changes are being implemented to upgrade our software for the Form 5500 regulations for 2009 plan year, as well as advance fee disclosure verbiage in our Recordkeeping & Service Agreement. As soon as final regulations are announced, Dyatech will itemize modifications and inform our clients of the adjustments.