



§404(a)(5) Participant Fee Disclosure Review

For Prepared on

The plan administrator must provide all employees that are eligible to participate under the terms of the plan, without regard to whether the participant has actually become enrolled in the plan, and beneficiaries who have the right to direct the investment of assets in their accounts, the following information:

Plan-Related Information

Plan-related information may be provided as part of the plan's summary plan description or as part of a pension benefit statement if they are distributed at least once a year.

1. General Operational and Identification Information

Yes No

- A. An explanation of the circumstances under which participants and beneficiaries may give investment instructions;
- B. An explanation of any specific limitations on such investment instructions under the terms of the plan, including any restrictions on transfer to or from a designated investment alternative;
- C. A description or reference to plan provisions relating to the exercise of voting, tender and similar rights appurtenant to an investment in a designated investment alternative as well as any restrictions on such rights;
- D. An identification of any designated investment alternatives offered under the plan.
- E. An identification of any designated investment managers.
- F. A description of any brokerage windows, self-directed brokerage accounts, or similar plan arrangements that enable participants and beneficiaries to select investments beyond those designated by the plan.

2. Administrative Expenses

Yes No

- G. An explanation of any fees and expenses for general plan administrative services (*e.g.*, legal, accounting, recordkeeping), which may be charged against the individual accounts of participants and beneficiaries and are not reflected in the total annual operating expenses of any investment option, along with a description of the service(s) to which the charge(s) relate. To clarify, the disclosed charges arise from either the liquidation of shares or the deduction of dollars from individual accounts and are not included in the total annual operating expense of any designated investment alternative.
- H. The basis on which such charges will be allocated (*e.g.*, pro rata, per capita) to, or affect the balance of, each individual account.
- I. If applicable, the quarterly statement must include an explanation that, in addition to the expenses reported on the statement, some of the plan's administrative expenses for the preceding quarter were paid from the annual operating expenses of one or more of the plan's designated investment alternatives (*e.g.*, through revenue sharing arrangements, Rule 12b-1 fees, sub-transfer agent fees).

3. Individual Expenses

Yes No

- J. An explanation of any fees and expenses that may be charged against the individual account of a participant or beneficiary on an individual, rather than plan-wide, basis (*e.g.*, fees to processing plan loans or qualified domestic relations orders, fees for investment advice, fees for brokerage windows, commissions, front or back-end loads or sales charges, redemption fees, transfer fees, distribution fees, optional rider charges in annuity contracts, and

investment management fees with certain unregistered designated investment alternatives) and which are not reflected in the total annual operating expenses of any investment alternative.

Investment-Related Information in a Comparative Chart Format

Required from those providing services to a plan investment contract, product or entity holding plan assets and in which the plan has a direct equity investment or is a record keeper or broker that makes available designated investment alternatives on a platform for participant-directed individual account plan. This includes any information that is within the control of, or reasonably available to, the covered service provider and is required for the plan administrator to comply with the participant-level disclosure regulation of Section 404(a)(5) of ERISA.

Yes No

K. *Identifying information*

Name and type or category of the designated investment alternative.

L. *Performance Data*

1-, 5- and 10-year average annual total returns, ending on the date of the most recently completed calendar year (or for the life of the investment, if shorter) as well as a statement indicating that an investment's past performance is not necessarily an indication of how the investment will perform in the future. For investment options that have a fixed or stated rate of return, the disclosure must include the current rate of return, the minimum rate guaranteed under the contract, term of the investment, and a statement that the issuer may adjust the rate of return prospectively and how to obtain (e.g. telephone or Web site) the most recent rate of return information available.

Note: Examples of fixed return investments include certificates of deposit, guaranteed insurance contracts, variable annuity fixed accounts, and other similar interest-bearing contracts from banks or insurance companies. While money market mutual funds and stable value funds generally aim to preserve principal, they are not free of investment risk to the investor. Accordingly, such investments are subject to the variable return provisions of the regulation, even though they routinely hold fixed-return investments.

M. *Benchmark Information*

The name and returns of an appropriate broad-based securities market index over the 1-, 5-, and 10-year periods for which performance data must be disclosed. Investment options with fixed rates of return are not subject to this requirement.

N. *Fee and Expense Information*

- i. Total annual operating expenses that are reflected in the net value of the investment option expressed as a percentage (e.g., expense ratio) and as a dollar amount for a \$1,000 investment
- ii. Amount and a description of each shareholder-type fee that is not included in the total annual operating expenses (fees charged directly against a participant's or beneficiary's investment, such as commissions, sales loads, sales charges, deferred sales charges, redemption fees, surrender charges, exchange fees, account fees, and purchase fees)
- iii. Ongoing expenses in addition to annual operating expenses (e.g., wrap, mortality and expense fees)
- iv. A description of any restriction or limitation that may be applicable to a purchase, transfer, or withdrawal of the investment in whole or in part (such as round trip, equity wash, or other restrictions).

For investment options that have a fixed rate of return only items "ii." and "iv." are required.

O. A statement indicating that fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions

P. A statement that the cumulative effect of fees and expenses can substantially reduce the growth of a participant's or beneficiary's retirement account and that participants and beneficiaries can visit the Department of Labor's website for information and an example demonstrating the long-term effect of fees and expenses.

Q. *Internet Web Site Address*

Did the service provider establish an Internet Web site for the plan participants with information about the designated investment alternatives? This responsibility belongs to the plan administrator although the service provider may have within its control, or reasonably available to it, the information about the investment options that must be provided at the Web site address including:

- i. Name of the investment issuer
 - ii. The investment's objectives or goals
 - iii. The investment's principal strategies (including a general description of the types of assets held) and principal risks
 - iv. The investment portfolio turnover rate (excluding fixed-return investment alternatives)
 - v. The investment's performance (as described above) updated at least quarterly
 - vi. The investment fee and expense information (as described above)
- R. A statement explaining how to request and obtain free of charge paper copies of the information required to be made available on the website.
- S. *Glossary*
Plan administrators are solely responsible to provide a general glossary of terms to participants and beneficiaries to assist them in understanding the plan's investment options, or an Internet Web site address that is sufficiently specific to provide access to such a glossary along with a general explanation of the purpose of the address. Did your service provider assist with providing this?
- T. *Special Rules*
If the covered service provider has information about designated investment alternatives that fall within the participant-level disclosure regulation's "special rules" the covered service provider may have to furnish information necessary for the covered plan administrator to comply with the regulation's requirements for annuity options, employer securities, fixed-return investments, and target date or similar funds. This does not transfer legal responsibility for fulfilling the participant-level disclosure regulation to the service provider.
- U. A statement indicating the name, address and telephone number of plan administrator or person designated by the plan administrator to contact for information that must be made available upon request.
- V. A statement that investment-related information (including more current performance information) is available at the listed Internet Web site addresses.

- W. When a plan provides for the pass-through of voting, tender, and similar rights, the plan administrator must furnish participants and beneficiaries who have invested in a designated investment alternative with these features any materials about such rights that have been provided to the plan.
- X. A statement that an investment's past performance is not necessarily an indication of how the investment will perform in the future
- Y. A comparative chart format on the investment options designed to facilitate comparison

Information to be provided upon request:

- i. A copy of a prospectus or short form prospectus or similar documents
- ii. A copy of any financial statements, such as the Statement of Additional Information and shareholder reports, and any similar material related to the Designated Investment Alternative (“DIA”) to the extent such material is provided to the plan
- iii. Information on the value of a share or unit of a DIA as well as the valuation date
- iv. A list of the assets comprising the portfolio of each DIA which constitutes plan assets
- v. Information on the value on an individual’s interest in the DIA

A plan administrator will not be liable for the completeness and accuracy of information used to satisfy these disclosure requirements when the plan administrator reasonably and in good faith relies on information received from or provided by a plan service provider or the issuer of a designated investment alternative.

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