

MEMO# 16256

July 1, 2003

JULY 16 CONFERENCE CALL TO DISCUSS DOL GUIDANCE ON ALLOCATION OF PLAN EXPENSES

[16256] July 1, 2003 TO: PENSION COMMITTEE No. 18-03 PENSION OPERATIONS ADVISORY COMMITTEE No. 35-03 RE: JULY 16 CONFERENCE CALL TO DISCUSS DOL GUIDANCE ON ALLOCATION OF PLAN EXPENSES A conference call has been scheduled for Wednesday, July 16, 2003 at 2:00 pm EDT regarding the Department of Labor's recent field assistance bulletin (FAB) on the allocation of expenses in defined contribution plans.¹ In particular, we plan to discuss the disclosure requirements set forth in the FAB. The FAB, among other things, provides that the Department's current regulations in 29 C.F.R. 2520.102-3(l) require plans to include in the Summary Plan Description (SPD) "a summary of any provisions that may result in the imposition of a fee or charge on a participant or beneficiary, or the individual account thereof, the payment of which is a condition to the receipt of benefits under the plan." The FAB further notes that the regulations require SPDs to include a statement identifying circumstances that may result in "the offset, [or] reduction . . . of any benefits that a participant or beneficiary might otherwise reasonably expect the plan to provide on the basis of the description of benefits" During the call, we hope to discuss the interpretive issues arising from these requirements. If you would like to participate in this conference call, please complete the attached response form and fax it to Brenda Turner (at 202/326-5841) by Monday, July 14th or, alternatively, provide a response by email to bturner@ici.org. To participate in the call, dial 1- 888-730-9138 and ask for the ICI call, passcode "plan expense guidance" with the undersigned as moderator. Thomas T. Kim Associate Counsel Attachment (in .pdf format) 1 See Institute Memorandum to Pension Members No. 25-03 and Pension Operations Advisory Committee No. 30-03 (16105), dated May 22, 2003.