

MEMO# 2539

February 13, 1991

ERISA REPORTING AND DISCLOSURE REQUIREMENTS

- 1 - February 13, 1991 TO: PENSION COMMITTEE NO. 3-91 RE: ERISA REPORTING AND DISCLOSURE REQUIREMENTS _____ As we discussed at the last Pension Committee meeting, the Department of Labor is considering revising the reporting and disclosure requirements under ERISA. In particular, Assistant Secretary Ball indicated that he was considering eliminating the Summary Annual Report requirement for pension plans and replacing it with a requirement that each participant receive an annual benefit statement. Attached is a draft letter to Mr. Ball which discusses the need for improved disclosure under ERISA with regard to defined contribution plans. The letter recommends that any revision to ERISA should contemplate future technological change in the area of pension administration and specifically recommends that plan administrators provide the following information to individual account plan participants at least annually and no later than 30 days after the latest valuation date: (a) The total value of assets in the account; (b) A breakdown showing the investment funds or media in which the total is invested, either by percentage, number of shares or dollar amounts; (c) The amount of and date of contributions made to the account together with a breakdown showing the investment funds or media in which the contributions are invested; and (d) The amount of and date of distributions from the account together with a breakdown showing the investment funds or media from which the distributions were made; (e) A breakdown between employee contributions and employer contributions, if relevant and, if invested in different media, a breakdown of such investments. - 2 - (f) A detail of any fees applied directly to a participant's individual account. If you have any comments or suggestions regarding the attached letter, please call me by March 1, 1991. W. Richard Mason Assistant General Counsel Attachment