



# 408(b)(2) - (b)(4) U know it

July 2011 - Update

On June 1, 2011 the effective date of Department of Labor (DOL) Regulation 408(b)(2) was officially extended until January 1, 2012.

This extension was done to allow service providers additional time to implement the fiduciary disclosures required under the rule.

The regulation requires that service providers to 401(k) and other qualified retirement plans disclose certain information to assist plan fiduciaries in assessing the reasonableness of the service providers compensation.

Additionally, plan sponsors and service providers are required to review and update their current service arrangements prior to the newly extended date.

Basic information that must be disclosed in writing includes:

- **Services:** A description of services to be provided.
- **Fiduciary Status:** The provider must state if they will be providing any services as a fiduciary.
- **Compensation:** The provider must disclose all compensation it reasonably expects to receive and the manner in which they will receive it. Compensation, whether monetary or non monetary, paid directly or indirectly from other sources must be disclosed.

Barring an additional extension, affected service providers such as Broker Dealers, Recordkeepers, Investment Advisors, Third Party Administrators & other responsible parties will be affected and should have appropriate disclosure measures in place to meet the new deadline.

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Retirement Plan Design and Administration

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