



## U.S. Department of Labor

### News Release

[Printer Friendly Version](#)

**Release Date: December 12, 2007**  
**Release Number: 07-1903-NAT**  
**Contact Name: Gloria Della/Richard Manning**  
**Phone Number: 202.693.8664/202.693.4676**

#### **U.S. Labor Department proposes regulations to increase disclosure of fees and conflict of interests affecting 401(k) and other employee benefit plans**

**Washington** – The U.S. Department of Labor today announced a proposed rule that will enhance disclosure to fiduciaries of 401(k) and other employee benefit plans to assist them in determining the reasonableness of compensation paid to plan service providers and conflicts of interest that may affect a service provider's performance under a service contract or arrangement.

"One of the department's top priorities is improved disclosure in order to ensure that participants and fiduciaries have the information they need to make informed decisions," said U.S. Secretary of Labor Elaine L. Chao. "We are working quickly to implement regulations that foster fair, competitive and transparent prices for services as well as combat excessive or hidden plan fees."

The proposed regulation would enhance disclosure to plan fiduciaries by requiring that contracts between certain service providers and plans provide for specific and detailed information. The proposal requires that all services furnished to a plan and all compensation, direct and indirect, to be received by the service provider be disclosed in writing. The proposal also requires the disclosure of possible conflicts of interest of the service provider that may affect the performance of plan services.

In addition, the department is proposing a class exemption to provide relief to plan fiduciaries who enter into deficient contracts with service providers that, unbeknownst to the plan fiduciary, failed to comply with their disclosure obligations.

401(k) savings and other employee benefit plans are critical to the retirement and health security of American workers and their families," said Bradford P. Campbell, assistant secretary for the Labor Department's Employee Benefits Security Administration. "This initiative enhances disclosure of fees and conflicts of interest that can affect workers' interests and is an important part of our continued efforts to enhance workers' benefit security."

Comments on the proposed regulation should be directed to the U.S. Department of Labor, Employee Benefits Security Administration, Room N-5655, 200 Constitution Avenue NW, Washington, DC 20210, Attention: 408(b)(2) Amendment; or electronically to e-ORI@dol.gov or via [www.regulations.gov](http://www.regulations.gov).

U.S. Department of Labor news releases are accessible on the Department's [Newsroom](#) page. The information in this news release will be made available in alternate format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your request at 202.693.7828 or TTY 202.693.7755. The U.S. Department of Labor is committed to providing America's employers and employees with easy access to understandable information on how to comply with its laws and regulations. For more information, please visit the Department's [Compliance Assistance](#) page.

**U.S. Department of Labor**  
**Frances Perkins Building**  
**200 Constitution Avenue, NW**  
**Washington, DC 20210**

**Toll-free Hotline: 1.866.444.EBSA**  
**Text Telephone: 1.877.889.5627**  
**[Questions/Assistance](#)**