

Actuarial Benefits & Design Company Participant Disclosure FAQs

What information must be disclosed to participants?

Information about certain plan provisions, fees charged to the plan or to specific plan participants must be disclosed annually. Participants must receive notice of fee changes at least 30 days in advance of the effective date of a change that is part of this fee disclosure requirement.

What plan provisions must be disclosed?

The following information must be disclosed:

1. How participants and beneficiaries may give investment instructions.
2. Any specified limitations on such instructions under the terms of the plan, including any restrictions on transfer to or from a designated investment alternative.
3. Identification of any designated investment alternatives/managers under the plan.
4. Plans with qualifying employer securities as an option must disclose: plan provisions relating to the exercise of voting, tender and similar rights to an investment in a designated investment alternative as well as any restrictions on such rights.
5. A description of brokerage windows, self-directed brokerage accounts, or similar options to select investments beyond those designated by the plan.

What plan-level fees must be disclosed?

Any fees and expenses for general plan administrative services (e.g., legal, accounting, recordkeeping), which may be charged to their account and are not reflected in the total annual operating expenses of any designated investment alternative, as well as the basis on which such charges will be allocated (e.g., pro rata, per capita) or affect the balance of, their account.

What types of individual-level fees must be disclosed?

Any fees and expenses that may be charged to their account as distinguished by a plan-wide basis (such as fees to process plan loans or qualified domestic relations orders, fees for investment advice, brokerage windows, commissions, front or back end loads or sales charges, redemption fees, transfer fees and similar expenses, and optional rider charges in annuity contracts) which are not reflected in the total annual operating expenses of any designated investment alternative must be disclosed.

Who must receive the disclosure?

All eligible employees (including those who choose not to make plan contributions), terminated employees and/or beneficiaries with account balances and alternate payees with account balances must receive the disclosure. Eligible employees and new beneficiaries/alternate payees must receive the disclosure document before they are first able to direct investments in the plan.

How does the disclosure information need to be distributed to participants?

The disclosure must be affirmatively provided; it is not enough to simply make it available. It may be delivered electronically to participants who use computers as an integral part of their employment duties or those who consent to electronic disclosure electronically. For those participants who do not use computers as an integral part of their employment duties, the disclosure must be mailed by US postal service. See www.ab-d.com for more information about electronic delivery.