



focus on Retirement

What is fee disclosure?

Recently, the Department of Labor passed laws that require plan sponsors to consistently disclose information regarding plan fees to plan participants. The Department of Labor found that many participants were unsure if fees were charged to their plan or what services were being provided for those fees. As of August 30th, participants will begin to receive more information about their plan fees and their investments. This will help participants to meaningfully compare the investment options under their retirement plan.

There are no new fees as a result of the new regulations—just new ways of showing you the fees that already exist. Your fees have been disclosed on your participant statement for many years. Now, they will be displayed with more detailed information about the services that are provided for those fees.

What will you see?

Because of the new rules, you will receive additional information about your retirement plan. This information will disclose fees and investment information that you may not have received in the past. There are several additional items you will receive:



Annual disclosure statements—Once per year, you will receive disclosure statements that will tell you about the fees that are expected to be charged to your plan, about any fees you may incur if you initiate certain transactions (such as a loan) and general information about the plan.



Comparative chart—Once per year, you will receive a chart of your investment choices with information about investment returns, benchmarks and fee and expense information. This will help you to make more informed decisions about your plan investments. This chart will also provide information on how to access more detail on your investments via websites.



Quarterly participant statements—Quarterly, you will receive an explanation of the actual fees charged to your plan account. These will tell you the dollar amount and service provided for those fees.



Glossary of terms—There will be a summary of terms that are used in the various fee disclosure documents with their definitions. This is available at www.noblepension.com/PDFs/ParticipantEducation/GlossaryOfTerms.pdf

Why is my account charged fees?

Your retirement plan is a valuable asset and it's an important part of your total benefits package. By sponsoring a retirement plan, your employer has provided an opportunity to help you reach a comfortable retirement. In the same way that you may help to cover part of the cost of your health benefits, your employer may pass certain costs through the plan assets to pay for the many services that a retirement plan requires. The amounts charged to your account will depend on the type of your plan and the services it requires.

Common fees charged to your account may include:

- Investment Advisory Fees
- Administration and recordkeeping fees
- Custodial fees
- Fees for individual services (such as loans)

Fees are important because they influence your investment, but they are only part of the story. Consider that the fees provide you with expert investment advice, continuing compliance with the laws, and fees similar to what you might pay if you invested outside of the plan. Because your investments, plan services, and educational programs vary from other plans, it is difficult to compare the fees charged in this plan to another plan. Your employer is responsible for ensuring that the fees paid by the plan are reasonable and in line with similar services.

What will be shown on the comparative chart?

Performance information will include 1, 5 and 10 year returns for the funds. The annual rate of return will also be displayed. Corresponding 1, 5 and 10 year return information for the benchmarks associated with your funds will also be displayed. Finally, there will be fee and expense information such as the total operating expense for each fund.

How will I know about changes?

You will be notified of any changes to your fees within 30-90 days prior to the change. You also have the right to request more information about your investments, such as fund prospectuses.

What do I need to do?

The fee disclosure rules are meant to inform you more completely about your account, but there is nothing that you need to do. The increased information will help you to better manage your retirement account and allow you to make informed decisions. As always, it is a good idea to speak with a financial professional before making any changes.

"I have enough money to last me the rest of my life, unless I buy something" - Jackie Mason

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