

PENSION RIGHTS CENTER

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Subcommittee on Health, Employment, Labor and Pensions
Committee on Education and Labor
U.S. House of Representatives
Washington, D.C. 20515

Dear Members of the Subcommittee on Health, Employment, Labor and Pensions,

The Pension Rights Center, the nation's only consumer rights organization solely devoted to protecting and promoting the retirement security of American workers and retirees, is writing in support of the Fair Disclosure for Retirement Security Act of 2009 (H.R. 1984).

H.R. 1984 will help 401(k) plan participants receive straightforward information about the fees they are being charged and any conflicts of interest between their employers and plan service providers. Fee disclosure is essential for participants in developing a plan for adequate savings and a secure retirement. Such disclosure is more important now than ever as an increasing number of companies turn to 401(k) plans as their primary employer sponsored retirement plan. If employees are expected to bear the bulk of the responsibility in their retirement savings and planning, then they must be provided with the tools necessary to successfully save for retirement.

H.R. 1984 also ensures that employers receive important fee information necessary for making prudent decisions. As plan fiduciaries, employers are responsible for choosing service providers, investment options, and continuously monitoring ongoing investments. To help employers with these tasks, they need detailed information about all the fees charged to the plan so they can compare one option to another, and compare fees on an apples-to-apples basis. H.R. 1984 requires that fees in 401(k) plans be "unbundled" so that employers can review separate charges for record-keeping, transaction-based charges and investment management fees, among others.

In addition H.R. 1984 provides for much-needed increased government oversight enabling government agencies to audit plans to determine compliance, and identify service providers engaged in practices that preclude the employer from complying with the law.

The Fair Disclosure for Retirement Security Act of 2009 addresses the needs of both employees and employers alike in a common-sense approach to straightforward disclosure of essential information. We thank you for considering our views. If you have any further questions, please feel free to contact us at (202) 296-3776.

Sincerely,



Karen Friedman
Policy Director



Rebecca Davis
Staff Attorney