

Participant Fee Disclosure - What is 404(a)(5) and What Actions Should a Plan Sponsor Take?

What is 404(a)(5)?

404a-5, issued by the Department of Labor (DOL), mandates that plan administrators of participant-directed individual account plans furnish eligible participants and beneficiaries with specific plan-related and investment-related details concerning their plans and the investments offered within. This regulation ensures participants regularly receive particular investment disclosures. It requires 401(k) providers to disclose the quarterly costs paid by employee's accounts.

Who is responsible for complying?

The plan administrator, which in most cases is the employer, is ultimately responsible for complying with the participant fee disclosure requirements. Although the plan administrator is responsible, the DOL regulations allow plan administrators to reasonably rely on information supplied by a service provider in complying with the regulations.

The rules apply to participant-directed individual accounts. This includes participant directed 401(k) plans, profit sharing plans, money purchase plans, and 403(b)- ERISA plans.

For additional information: [Participant Fee Disclosure Q&A.pdf](#) 
