



## Twenty-Five Percent of Survey Respondents Not Fully Prepared for Impending Requirements to Disclose 401(k) Fees to Participants, Reports Broadridge

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LAKE SUCCESS, N.Y., June 25, 2012 /PRNewswire/ -- Just 10 weeks before the U.S. Department of Labor's (DOL) 401(k) participant fee disclosure requirements go into effect on August 30th, over 25 percent of respondents surveyed by [Broadridge Financial Solutions](#) (NYSE:BR) are not fully prepared for the impending regulation. As of June 18th, 24 percent of the respondents indicated they had not finalized processes to communicate the fees while an additional five percent still need help understanding the regulation. Added to that, 13 percent of respondents noted that they have not made any preparations for "day 2" of the new regulations when participants receive their annual fee notice. The real-time results of the Broadridge survey are available to view [online](#).

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"Fee disclosure requirements are the most important change to the 401(k) plan since its inception more than 30 years ago," said Timothy Slavin, Senior Vice President, Defined Contribution, Broadridge. "Financial firms are really starting to feel the pressure to make sure they're fully compliant with the mandated [404\(a\)\(5\) regulation](#) before it goes into effect this year."

According to the survey, there is some concern about participant reaction to the new fee disclosures, with the majority of respondents (57 percent) noting that they expect participants to be somewhat interested upon receipt of their annual fee notice, and 24 percent expecting participants to ask a lot of questions and even ask plan sponsors to change plan providers.

"The key to staying ahead of participant reaction – whether positive or negative – is preparation and education. Firms need help to arm plan sponsors with detailed information to answer participants' questions, as well as have call centers geared up and prepared to respond to inquiries in a timely fashion," continued Mr. Slavin.

Adding to the theme of preparation, half of the respondents stated that they could use additional support in creating educational materials for participants and 28 percent noted that they need help with e-delivery consent gathering.

Looking ahead, firms are already thinking about what changes they anticipate making for next year's fee notice with 29 percent hoping to introduce e-delivery for participants and 26 percent planning to look for new ways to stay competitive. "This is just the beginning. There is great opportunity for firms to enhance their services and ensure that they are providing the best offering for plan sponsors and participants," added Mr. Slavin.

As a leading provider of advanced technology and outsourcing solutions to the financial services industry, Broadridge has developed [fee disclosure approaches](#) for the nation's largest defined contribution plan providers.

### About Broadridge

Broadridge is a technology services company focused on global capital markets. Broadridge is the market leader enabling secure and accurate processing of information for communications and securities transactions among issuers, investors and financial intermediaries. Broadridge builds the infrastructure that underpins proxy services for over 90% of public companies and mutual funds in North America; processes more than \$4 trillion in fixed income and equity trades per day; and saves companies billions annually through its technology solutions. For more information about Broadridge, please visit [www.broadridge.com](http://www.broadridge.com).

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