United Actuarial Services, Inc.
Actuaries and Consultants

BENEFIT NEWS BRIEFS

DOL Releases Additional Guidance on Service Provider Fee Disclosure Requirement on New Form 5500 Schedule C

The Department of Labor (DOL) recently released additional guidance to help plan administrators and service providers comply with the expanded requirements for reporting service provider fee and compensation information on the Form 5500 Annual Returns/Reports. The expanded requirements apply for plan years beginning on or after January 1, 2009.

Previously, guidance was provided was provided in the form of 40 *Frequently Asked Questions* (*FAQs*) on the new Schedule C requirements in July 2008. See *Benefit News Briefs 2008-34*. A copy of the 40 *FAQs* is available at the DOL website at *http://www.dol.gov/ebsa/faqs/faq_scheduleC.html*. A specially prepared copy with a Table of Contents added for ease of use is available by "*clicking here.*"

This month the DOL released a set of 25 *Supplemental FAQs* available at the DOL website at *http://www.dol.gov/ebsa/faqs/faq-sch-C-supplement.html.* A specially prepared copy with a Table of Contents added for ease of use is available by "*clicking here.*" These *FAQs* supplement the July 2008 *FAQs* on the Form 5500 Schedule C. Some of the issues in the new *FAQs* include:

- Gifts, entertainment and other non-monetary compensation
- Compensation to hedge fund investment managers
- "Look-through" investment funds
- Mutual fund redemption fees
- ERISA fee recapture accounts

The *Supplemental FAQs* provide clarification regarding the 2009 plan year transition relief for service providers, explaining that the transition relief also covers plan administrators and Form 5500 preparers who rely on those service providers for information needed to complete the Schedule C. More details are in the 2008 FAQs.

Plan administrators and service providers alike will benefit from reviewing the *FAQs* in order to better understand each other's role. The *FAQs* also help both parties better understand the information required to be disclosed by plan service providers to the plan.

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