What is fee disclosure?

Many retirement plan participants are not sure how much participating in their retirement plan costs or what value they receive in exchange for fees. Fee disclosure is a positive, new movement in the retirement plan industry, promoting increased consistency and transparency.

As of August 30, 2012, the Department of Labor requires fees to be consistently disclosed to all eligible employees, participants and beneficiaries of retirement plans subject to the Employee Retirement Income Security Act.

This helps participants and eligible employees 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.

What will you see?

As a result of the new disclosure requirements, you’ll see additional information about your retirement plan. This information—including fees, as well as other details—will appear in several locations and formats, such as:

- Annual disclosure statements
- Comparative charts of plan investments
- Glossary of terms
- Websites
- Quarterly participant statements

What do fees cover?

Your retirement plan is a valuable asset, and it’s an important part of your total employee benefits package. By sponsoring a retirement plan, your employer has provided an opportunity to help you reach your financial goals.

Just as your employer may help you cover the cost of health benefits by sponsoring health insurance options, they may also pay some of the costs associated with your retirement plan benefits.

The amount you pay for your retirement plan depends on the type of plan and the services available. In general, fees may cover expenses related to valuable services, such as:

- Professional investment management
- Customer service
- Retirement education
- Administration and recordkeeping
Why do fees matter?

Fees matter because they influence your investment, but they’re only part of the story. Rather than focusing on the fees themselves, consider how the value of what you receive (such as professional money management) influences your retirement plan account. Beware of comparisons with other plans, as an apples-to-apples comparison isn’t always possible. The investments, plan services and educational programs you receive may differ significantly from other plans available through other employers. Your employer (also known as your plan sponsor) is responsible for evaluating all possible options in order to be sure the fees you pay are reasonable.

What is the role of Lincoln Financial?

Lincoln Financial is your retirement plan provider. Your employer chose to work with Lincoln because of the high-quality services available to you and your organization—which can help you achieve better retirement outcomes.

We are proud to help you put fees in context, because we believe in the value of employer-sponsored retirement plans. We also believe knowledge is power: Knowing more about fees will help you better understand the total value of your retirement plan.

As a retirement plan participant with Lincoln, you can expect

1. **Value**
   You’ll get valuable products and services at a fair price.

2. **Commitment**
   We’ll work with your employer to be sure you receive all the information you need.

3. **Support**
   As always, you can rely on our educational resources and dedicated representatives.

What’s on your mind?

Fee disclosure is informational only. You don’t need to take any action at this time. However, it may be a conversation-starter. As always, you should speak with a financial professional before making any changes that may affect your savings.

If you would like more information, please contact your employer or retirement plan representative today.

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