

ICI and SPARK Institute Release Sample Investment Glossary for Retirement Plan Participant Disclosure

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Washington, DC, December 19, 2011- The Investment Company Institute and the SPARK Institute today released a “Sample Glossary of Investment-Related Terms for Disclosures to Retirement Plan Participants” that defined contribution plans can use and adapt in complying with new Department of Labor participant disclosure regulations requiring plans to give participants specific information about plan investments, including fees and performance.

“Many service providers expressed the need for an industry-wide glossary that retirement plans could use to satisfy the requirement to provide participants with access to a glossary of investment terms when the new disclosure rules go into effect,” said Larry Goldbrum, SPARK Institute General Counsel. The glossary defines more than 170 terms that are likely to apply to a wide group of plans and investments and took approximately one year to develop.

“It is important for the glossary to present plain-language definitions for terms employees may see in the disclosures they receive about their plan investments,” said Mary Podesta, ICI’s Senior Counsel for Pension Regulation. “Defining and agreeing upon terms that did not already have widely accepted definitions was a challenge, but we worked very hard with our respective members and other interested parties to develop definitions that are both accurate and understandable for plan participants.”

The glossary has been endorsed by the American Benefits Council, American Council of Life Insurers, American Society of Pension Professionals & Actuaries and the Society for Human Resource Management. Goldbrum explained that “the glossary will be available at no cost to recordkeepers, other plan service providers, and plan sponsors for use in meeting the Labor Department disclosure requirements.” It is available on the ICI website at www.ici.org/401k/11_401k_glos and The SPARK Institute website at www.sparkinstitute.org/comments-and-materials.php, as well as through all of the endorsing groups. Plan participants are likely to start receiving new disclosures under the Labor Department requirements in the spring of 2012.

The ICI and SPARK Institute may release revised versions of the glossary periodically. General inquiries and questions about the glossary should be submitted to larry@sparkinstitute.org and glossary@ici.org.

The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$12.5 trillion and serve more than 90 million shareholders.

The SPARK Institute represents the interests of a broad based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third party administrators, trade clearing firms and benefits consultants. Through the combined expertise of its member companies, the Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. Collectively, its members serve approximately 70 million participants in 401(k) and other defined contribution plans.