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Washington, DC, June 24, 2009 - *ICI President and CEO Paul Schott Stevens issued the following statement about House Education and Labor Committee action today on a 401(k) disclosure and investment advice bill (H.R. 2989):*

"For 30 years, ICI has supported efforts to improve disclosure for all 401(k) investment options and to provide investors with information that is useful and meaningful on investment objectives, principal risks, fees, historical performance, and the investment adviser that manages the product's investments. Now, more than ever, 401(k) investors need clear information and the opportunity for participants to access quality investment advice. We strongly support legislation to achieve the goal—shared by lawmakers, employers, and the financial community—of giving investors clear, concise, and useful disclosure and access to investment advice to help them better understand and manage their 401(k) investments.

"Unfortunately, the bill approved today by the House Education and Labor Committee falls short of this aim. It is with regret that we cannot support H.R. 2989 as drafted today, given its significant shortcomings. The bill fails to define clearly the vital disclosures investors need, while layering on unnecessary and potentially inaccurate information that will only confuse employers and workers. The proposed legislation also sets a dangerous precedent by giving Congress the job of selecting investment options for plans—a role that employers have performed well for decades under a strict fiduciary duty to their plans. Astoundingly, the bill would also roll back 25 years of U.S. Department of Labor guidance being utilized now to provide quality investment advice to 401(k) participants and investors to manage their retirement accounts.

"ICI and the mutual fund industry strongly support reform to improve the 401(k) system, and we will continue to work with Congress to improve any legislation that advances. We support the Kline substitute amendment introduced today that meets Congress's disclosure objectives in a simpler and more effective way and removes the investment mandate.

ICI sent a letter to the Members of the Committee in advance of the mark-up, outlining detailed views of the bill.

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