

# Alliance



## Expanding Your Reach

### Spring Compliance

The weather across the U.S. continues to send mixed messages about Spring. If anything, it's a minor distraction to our teams who have been working very hard on deadlines per the retirement plan compliance calendar. The first quarter is a demanding one with completions and filings on everything from distribution 1099's to 2010 plan contributions to ADP/ACP refunds and more. In fact, March 16th is generally a day many of us exhale for the first time in a while as we will have met our March 15th deadlines on these and other important action items.



As you may know, the retirement industry is gearing up to respond to new Department of Labor mandates around the reporting of fees charged to retirement plan sponsors and participants. The DOL has recently announced a delay in the implementation of this new information until January, 2012 in order to better communicate expectations, formats, and requirements. Rest assured we are monitoring this topic very closely and will continue to update you as we learn more. In the meantime, don't hesitate to reach out to us should you have questions or comments.

## News & Notes

April 2011

### Headlines

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### The Poll



#### Got time for a question?

Cast your vote in our quick poll.

How do you rank economic indicators in terms of their impact on your confidence about the economy?

**VOTE NOW**

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## Meet Tanya Boren

Tanya is a Pension Administrator and has over 6 years of experience in 401(k) plan administration. She is ASPPA-certified in DC (daily) plan administration. Her responsibilities include managing day to day client relationships, IRS compliance testing, preparation of required government forms, calculating employer match and profit sharing contributions, processing participant contributions and loan repayments as well as distributions.



Throughout her career she has grown professionally and has gained additional valuable knowledge by attending professional seminars.

At home, Tanya spends her time enjoying her 5 month old son, Sean. Some of Tanya's hobbies include reading and drawing.

Drop her a note at [tboren@alliancepension.com](mailto:tboren@alliancepension.com)

## An ICI Review of the Economics of Providing Retirement Plans

While the Department of Labor has delayed the implementation of new fee disclosure rules about fees charged to plans and participants, it may be useful to refer to the recent report "The Economics of Providing 401(k) Plans: Services, Fees, and Expenses, 2009" published by the Investment Company Institute (ICI), a national industry group representing companies offering mutual funds, ETFs, and unit investment trusts (UITs). Members of ICI manage assets of \$12.74 trillion and serve over 90 million shareholders. As the title suggests, this report offers research insights into the costs associated with 401(k) plans. You may find the information also relevant to similar plan arrangements.



### Key Findings

- Employers and employees generally share the costs of operating 401(k) plans.
- More than half of the \$2.8 trillion in 401(k) assets at year-end 2009 was invested in mutual funds, primarily in stock funds. Mutual funds are required by law to disclose information about fees and expenses and portfolio turnover.
- 401(k) investors in mutual funds tend to hold lower-cost funds with below-average portfolio turnover. Both characteristics help to keep down the costs of investing in mutual funds through 401(k) plans.
- Expense ratios of stock funds and bond funds averaged slightly higher in 2009, compared with 2008. The asset-weighted average expense ratio paid by 401(k) investors on their stock funds rose 3 basis points to 0.74 percent after having declined in the previous five years.
- Money market fund expense ratios declined in 2009. The asset-weighted average expense ratio paid by 401(k) investors on their money market funds fell 2 basis points to 0.36 percent.

Read the details of the report at the ICI site.

[read more...](#)

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