

PUBLIC SUBMISSION

As of: August 20, 2010
Received: July 22, 2010
Status: Pending_Post
Tracking No. 80b1f521
Comments Due: August 30, 2010
Submission Type: Web

Docket: EBSA-2007-0047

Reasonable Contract or Arrangement Under Section 408(b)(2)—Fee Disclosure; Proposed Rule

Comment On: EBSA-2007-0047-0110

Reasonable Contract or Arrangement Under Section 408(b)(2): Fee Disclosure

Document: EBSA-2007-0047-DRAFT-0137

Comment on FR Doc # 2010-16768

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General Comment

This should apply to all public-sector pension plans too such as 457 plans. Also, note that pension management companies make deals with the pension selection committee to provide "administrative allowance" to the selection committee. In negotiations for the contract to win the business, the committee is asked how much money they want and how often, for instance "we want \$50K/qtr" or "\$100K/year" depending of course on assets and participants. Then the company adds a fee to one of the funds to raise that money. The employees pay for this administrative allowance. It is legal b/c admin allowance is used for "education" of committee. It is used to pay for hotels/expensies on industry meetings, but not always. This "admin allowance" drives up fees and lowers returns of employees. It should be disclosed how much it is and what fund it's being tacked on to so employees can make informed decision on wh funds to invest in.