

Fund Democracy
Consumer Federation of America

June 16, 2009

BY EMAIL

The Honorable George Miller,
Chairman
The Honorable Dale E. Kildee
The Honorable Donald M. Payne
The Honorable Robert E. Andrews
The Honorable Robert C. Scott
The Honorable Lynn C. Woolsey
The Honorable Rubén Hinojosa
The Honorable Carolyn McCarthy
The Honorable John F. Tierney
The Honorable Dennis J. Kucinich
The Honorable David Wu
The Honorable Rush D. Holt
The Honorable Susan A. Davis
The Honorable Raúl M. Grijalva
The Honorable Timothy H. Bishop
The Honorable Joe Sestak
The Honorable Dave Loebsack
The Honorable Mazie Hirono
The Honorable Jason Altmire
The Honorable Phil Hare
The Honorable Yvette Clarke
The Honorable Joe Courtney
The Honorable Carol Shea-Porter
The Honorable Marcia Fudge
Committee on Education and Labor
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Howard P. McKeon,
Ranking Member
The Honorable Thomas E. Petri
The Honorable Peter Hoekstra
The Honorable Michael N. Castle
The Honorable Mark E. Souder
The Honorable Vernon J. Ehlers
The Honorable Judy Biggert
The Honorable Todd Russell Platts
The Honorable John Kline
The Honorable Cathy McMorris Rodgers
The Honorable Tom Price
The Honorable Rob Bishop
The Honorable Brett Guthrie
The Honorable Bill Cassidy
The Honorable Tom McClintock
The Honorable Duncan D. Hunter
The Honorable Phil Roe
The Honorable Glenn Thompson
The Honorable Jared Polis
The Honorable Paul Tonko
The Honorable Pedro Pierluisi
The Honorable Gregorio Kilili Camacho
Sablan
The Honorable Dina Titus

Dear Committee Member,

We write on behalf of Fund Democracy and the Consumer Federation of America to express our enthusiastic support for the 401(k) Fair Disclosure for Retirement Security Act of 2009. The Act is a giant step forward for 401(k) plans. It would improve disclosure of 401(k) plan fees both to plan participants and to plan sponsors, thereby facilitating fee comparisons and promoting cost competition.

Current law permits the disclosure of investment option fees, plan fees and transaction fees in three different places. The Act requires that this disclosure be provided in a single document. Moreover, this disclosure is required not only as a percentage of assets, but also in dollars. Providing dollar disclosure should enhance beneficiaries' understanding of the impact of fees on their accounts and thereby promote competition in the financial services industry. The requirement that fee disclosure be provided in quarterly statements, rather than only in plan and fund documents, should further enhance beneficiaries' understanding of the importance of fees to the long-term growth of their retirement assets. In addition to promoting cost competition among investment options, the Act's mandatory fee disclosure for plan sponsors should facilitate the comparison of different plans' administrative costs, thus promoting cost competition in this area as well.

We believe the Act can play a significant role in helping Americans' achieve retirement security by encouraging a reduction in 401(k) fees. We strongly encourage the Committee to act quickly to adopt this important legislation.

Sincerely



Mercer Bullard
President & Founder
Fund Democracy



Barbara Roper
Director of Investor Protection
Consumer Federation of America