



THE COMMITTEE ON INVESTMENT OF EMPLOYEE BENEFIT ASSETS

*January 12, 2001*

*Office of Regulations and Interpretations  
Pension and Welfare Benefits Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Room N-5669  
Washington, D.C. 20210  
Attention: RFI*

*RE: CIEBA Response to DOL Disclosure Obligations Under ERISA; Request for Information; Notice (09/14/2000)*

*The Committee on Investment of Employee Benefit Assets (CIEBA) of the Association for Financial Professionals appreciates the opportunity to respond to the Department of Labor's Request for Information concerning ERISA Fiduciary Disclosure Standards, published September 14, 2000 in the Federal Register.*

*CIEBA was formed sixteen years ago to provide a nationally recognized voice exclusively for ERISA-governed corporate pension plan sponsors on current fiduciary and investment issues. It is an organization representing over 100 of the largest corporate pension funds in the United States. Its membership consists of corporate financial officers who administer and manage, as fiduciaries, the investment of over \$1 trillion in retirement plan assets on behalf of over 15 million plan participants and beneficiaries.*

*CIEBA recognizes and supports the need for fair and adequate disclosure of employee benefit plan information to participants. Without adequate, timely disclosure, plan participants cannot make informed decisions.*

*In the vast majority of cases, disclosure obligations under ERISA are adequate and additional guidance is unnecessary. Rather than improving voluntary employee benefit plans and the ability of participants to make decisions, additional costly, disclosure requirements might have the opposite effect of reducing the number of existing or new employee benefit plans. Additional disclosure requirements might also confuse the majority of participants by inundating them with details that do not apply to their situation.*



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*Plan sponsors have a myriad of different benefit plans. In many cases they were designed to meet a variety of needs that vary by company or bargaining group. Plan sponsors need to retain the flexibility to change these benefit programs as business needs change. Any change in the disclosure requirements for ERISA plans should keep in mind the following:*

- 1. Disclosure should provide adequate information so the majority of participants can readily determine the impact of changes on their individual situation. Individual participant situations vary widely and it is impossible for plan sponsors to anticipate the exact impact on every participant. The best way to accomplish disclosure is through general examples that cover the majority of situations, including suggestions that the participant seek help from outside advisors where needed. This is the only way that each individual can accurately assess the impact on their individual situation.*
- 2. Disclosure requirements that would require plan sponsors to disclose information that is irrelevant to a participant's realistic set of choices should not be required. If a plan sponsor believes that good employee relations would be maintained or enhanced by greater disclosure of the effects of such changes, the company clearly retains the right to make such disclosure. It should not be presumed that plan sponsors are insensitive to the need to retain the good will of all employees.*
- 3. Disclosure should be meaningful and cost effective. There must be a balance between the cost of disclosure and the potential benefit to the majority of participants.*
- 4. Disclosure of plan changes being considered should not be disclosed to participants until the changes are adopted.*

*We would be pleased to work further with the Department of Labor on this issue. Thank you again for the opportunity to provide comments on these and other ERISA issues.*

*Sincerely,*



*Robert Angelica  
Chairman*