

Have you documented plan disclosure information?

Here's an ERISA 408(b)(2) checklist

When it comes to the Department of Labor (DOL) plan sponsor disclosure regulations, you've got a lot to navigate.

We want to help.

According to ERISA section 408(b)(2), covered service providers must disclose information about service fees to plan fiduciaries. This is intended to assist fiduciaries in determining fee reasonableness. This checklist will help you get the information you need in one place.

Who's a covered service provider?

Any retirement service provider who enters into a contract or arrangement containing a covered retirement plan and who expects to receive \$1,000 or more in direct or indirect compensation is considered a covered service provider.

They generally falls into three categories:

Individuals who receive indirect compensation for services such as:

- Accounting
- Auditing
- Actuarial
- Appraisal
- Banking
- Consulting
- Custodial
- Insurance
- Investment advisory
- Legal
- Recordkeeping
- Securities
- Other investment brokerage, third party administration or valuation services

Individuals who are ERISA fiduciaries, or Registered Investment Advisers* who:

- Provide services directly to the plan or, to a vehicle that holds plan assets in which the plan has a direct investment (in the case of an ERISA fiduciary)

Individuals who provide brokerage or recordkeeping services to:

- Participant-directed defined contribution plans (if one or more investment options will be made available in connection with the services)

Get started

This checklist can help you gather and document the covered service providers for your plan. It includes the disclosure information you've received from each provider.

To help you fully evaluate these relationships, it's important to review all agreements and contacts associated with service and investment products.

Need a little help?

We've got you covered.

To find sample document and our disclosure information for your plan, visit **principal.com** and search "408(b)(2)" in the the Help feature.

For your convenience, we have included brief notations of the required components of the disclosure regulation, along with various corresponding disclosure materials that Principal Life Insurance Company® and its affiliates have provided to you.

*Under the Investment Advisers Act of 1940 or any state law.

ERISA Section 408(b)(2) disclosure checklist

Disclosure components for ERISA Section 408(b)(2)

Considerations for plan sponsors

Use the columns below to document the name of your plan's covered service providers and location of disclosure information received. You may also document whether certain information has not been received or is not applicable for the covered service provider.

Keep in mind, the disclosure information you receive may not be titled as 408(b)(2).

Disclosure components for ERISA Section 408(b)(2)	Considerations for plan sponsors	Principal Life Insurance Company	Service provider:	Service provider:
<input type="radio"/> Covered service provider name				
<input type="radio"/> Services	It's important to understand what services are being provided in connection with your plan so you can evaluate whether the fees you're paying are reasonable.	<ul style="list-style-type: none"> • Service Agreement which may include Exhibits/Attachments and Services webpage 		
<input type="radio"/> Fiduciary status	Any covered service provider who's acting in a fiduciary capacity needs to provide disclosure of this fact. It's important to know what fiduciary status each one is taking on and how it impacts your fiduciary duties.	<ul style="list-style-type: none"> • Disclosure Statement • Applicable investment management or other agreements for fiduciary services 		
<input type="radio"/> Direct Compensation, described as a formula, percentage or dollar amount	<p>This compensation is paid directly from plan assets, so it has an impact on your participants' retirement savings. This may include asset-based plan fees or fees deducted as a dollar amount from participant accounts.</p> <p>While not required by the 408(b)(2) regulation, many service providers will also disclose fees that are billed directly to the plan sponsor—and these fees impact the plan's total cost.</p>	<ul style="list-style-type: none"> • Fees webpage (i.e. Fee Summary/ Fees webpage) • Investment webpage • Other agreements for elected optional services (i.e. Target My Retirement®) • Service Agreement and Exhibits/ Attachments, if applicable 		
<input type="radio"/> Indirect Compensation, described as a formula, percentage or dollar amount	<p>This compensation is received by a covered service provider, an affiliate or subcontractor from any source other than the plan or plan sponsor. This typically is the investment expense, but could also include other compensation payments between covered service providers for the plan.</p> <p>Indirect compensation is a factor in the total cost of the plan and what your participants pay.</p>	<ul style="list-style-type: none"> • Fee Summary/Fees webpage • Investment website <p>The following items are disclosed in materials found on the above webpages:</p> <ul style="list-style-type: none"> - Revenue retained by Investment Provider - Revenue Sharing to Recordkeeper - Investment Provider and Revenue Sharing to Recordkeeper footnotes - Soft dollar - Float • Disclosure Statement • Service Agreement and Exhibits/ Attachments, if applicable • Confirmation of Investment Change letter 		

Also needs to identify the services, payer and describe the arrangement between payer and covered service provider



The required disclosure materials from Principal Life Insurance Company (Principal Life) and its affiliates have been provided to plan sponsors with services provided by Principal Life through information delivered via our secure website at principal.com and other documents, such as contractual agreements and investment-related documents. Depending on the product and retirement plan a plan sponsor is using, the information in the checklist may not be applicable to your plan.

Reference of checklist is not an exhaustive list of what you should do. This communication is provided as education only with the understanding that Principal® is not rendering legal, accounting, investment, or tax advice. You should consult with appropriate counsel, financial professional or other advisors on all matters pertaining to legal, tax, investment, or accounting obligations and requirements.

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