

GAO Report on the Impact of the Plan Fee Disclosure Regulations on 401(k) Plans

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PRACTICES Employee Benefits and Executive Compensation

Recently, the Government Accountability Office, the nonpartisan investigative arm of Congress, published a report (the “**GAO Report**”) concerning the effectiveness of the DOL’s service provider and participant fee disclosure regulations on 401(k) plans. As background, these regulations were issued over a decade ago and generally require service providers to disclose fee and service information to retirement plan fiduciaries, including plan sponsors, and also require plan sponsors to provide participants and beneficiaries with plan and investment fee information to assist such individuals with making more informed plan decisions.

The GAO Report provided the following conclusions:

- The regulations have improved retirement plan sponsors’ awareness and understanding of plan fees, particularly for smaller plan sponsors that may not have the resources to otherwise access fee information.
- Although the disclosures have increased participants’ knowledge of their 401(k) plans, the GAO Report suggested additional education is necessary as there are concerns about participants not being able to fully comprehend the information provided.
- Plan fees have decreased since the release of the regulations; however litigation, technological innovations, and competition among service providers have likely had a greater impact on fees than the fee disclosures.

The GAO Report is available [here](#).