



HYAS GROUP

## **YOUR PLAN HAS FEES. DO YOU HAVE A FEE POLICY?**

With the recent onslaught of retirement plan lawsuits, you may already know how important it is to keep your plan fees as competitive as possible. But what do you do with any excess funds that are returned as a result of those fees? Do you have a policy in place to document what happens?

Hyas Group encourages all plan sponsors to develop, maintain, and regularly review a Fee Policy Statement. The purpose of the Fee Policy Statement is to identify procedures for repayment of any excess fees in a timely and transparent manner consistent with Internal Revenue Code (IRC) guidelines.

IRC guidelines require all excess revenue maintained on behalf of the Plan to be held in trust and used for the exclusive benefit of the Plan's participants and beneficiaries; or to defray reasonable Plan expenses such as: Educational Seminars<sup>1</sup>, Compliance Audits<sup>2</sup>, Fiduciary Legal Support<sup>3</sup>, Plan Consulting Services<sup>4</sup>, Investment Advice<sup>3</sup>, Investment Management<sup>3</sup>, Trustee Services<sup>1</sup>, and Record Keeping Costs<sup>3</sup>.

For further information, please contact your Hyas Group consultant. We are here to assist you in the development and maintenance of this important plan governance document.

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<sup>1</sup> Department of Labor (DOL) 401(k) Booklet

<sup>2</sup> DOL Info. Letter 07/28/98

<sup>3</sup> DOL Field Assistance Bulletin 2003-3

<sup>4</sup> DOL Advisory Opinion 2001-01A, 97-03A