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## The Online 401k Announces Plan Sponsor's Bill of Rights

SAN FRANCISCO, CA, March 7, 2007 -- The Online 401k™, (www.theonline401k.com) the leading provider of full-service Web-based 401k plans for small and single-person businesses, today announced that as part of its formal, public crusade to combat the excessive, opaque fee structure found in most 401k retirement plan offerings, it has created a 401k Plan Sponsor's Bill of Rights.

Chad Parks, CFP®, founder and CEO of The Online 401k, says, "The average plan sponsor is left to twist in the wind without direction on how to interpret industry jargon to understand what the true costs of a 401k is for both the sponsors and participants. This Bill of Rights aims to highlight what sponsors ought to expect from their retirement plan providers in terms of fees and disclosure."

The Plan Sponsor's Bill of Rights:

Article I: The right to fair disclosure of fees

A plan sponsor is owed, up front, a straightforward explanation of all the fees and expenses that the plan will incur for both the plan and its participants. Simply put, many 401k providers charge asset-based fees (fees based on the amount of money in the plan vs. a flat fee). As a 401k balance grows, so do your fees, so you never know how much you are paying. These fees don't show up in statements, and 401k providers don't have to disclose them, so you would never know about these charges. The ideal plan should have a flat fee for service, so that you always know what your true expenses are.

Article II: The right to choose to match

What many plan sponsors do not know is that they do not have to provide any matching contributions for employees. Many 401k providers force a business owner to match funds for employees even though it is not a requirement to have one in place. These providers do this in order to increase the amount of assets in a plan, and many do not clearly disclose that providing a match is the choice of the plan sponsor and is not legally required in a 401k plan.

Article III. The right to a full complement of investment choices with plain-English fee information for each.

Many 401k providers may seem like a bargain . at first. When you take a look under the hood, you'll find that they get you with investments "loaded" with hidden fees that take money away from the retirement plan. Or the provider might force you to choose from a limited selection of investments from one company (i.e. their own proprietary product).

Worse yet, some 401k providers may profit from the investments that are offered (known as a kickback in less polite circles) and therefore their suggested choices may be in place to benefit themselves.

Article IV. The right to a clear and simple set-up that has no surprises

Too often, 401k providers take advantage of the set-up process to levy extra, hidden fees that were not discussed before signing the contract. It's simple -- you should not have any additional surprise charges during the set-up.

Still other 401k providers make setting up a 401k seem intimidating and confusing. It doesn't have to be. Setting up a 401k and managing it should be a simple process - it shouldn't take more than an hour to set up your plan, and no more than 30 minutes a month to run it.

Article V. The right to no minimum balances

Setting up a 401k plan for the first time can be hard enough. Plan sponsors should not have to contend with minimum balance requirements that are designed to make the plan more profitable for those providers that garner an asset-based management fee. Getting started in the retirement plan game is a big first step. There should be no reason to discourage

that, particularly with minimum balance requirements.

### About The Online 401k

The Online 401k is the nation's leading provider of Web-based retirement plan solutions for the small to middle market. Headquartered in San Francisco, the firm provides plan administration and management services to individuals and businesses in all 50 states. For more information on The Online 401k, visit [www.theonline401k.com](http://www.theonline401k.com).


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