



Plan Sponsor Channel Small Business Channel Plan Participant Channel Forums Search

[SAVE THIS](#)
 [EMAIL THIS](#)
 [PRINT THIS](#)
 [MOST POPULAR](#)

FREE!
Email Newsletter
[sign up here](#)

401k Plan Participant Bill of Rights Announced by The Online 401k

Second Edition of the "The 401(k) Plan Sponsor's Fiduciary Toolkit" is now available

If you are a plan fiduciary, you must have this resource!

[Click here to learn more](#)

SAN FRANCISCO, CA, March 22, 2007 -- As Congress tries to cut through the clutter of often exorbitant and almost always ambiguous fee arrangements within retirement plans, the nation's leading provider of web-based retirement plan solutions is taking aim at the same problem. Today, The Online 401k(TM) (www.TheOnline401k.com) rolls out their 401k Participant Bill of Rights.

Ads by Goooooogle

[Advertise on this site](#)

401K for Employers

Professional 401k Analysis and Unbiased 401k Plan Due Diligence
www.401kexchange.com

401k

Designed for Small Business. Plans for 1 or more. Get Free Quote
www.ShareBuilder401k.com



For The Online 401k this measure is only part of its formal, public crusade to combat the excessive, opaque fee structure found in most 401k retirement plan offerings.

Chad Parks, CFP®, founder and CEO of The Online 401k, says, "As providers and plan participants ourselves, we are outraged at the abuses in the industry. For plan participants, it is only fair to know what you are paying for participation and what impact those hidden fees have on the net return on their retirement savings."

The following is the Plan Participant Bill of Rights, from The Online 401k. This can also be viewed, along with the Plan Sponsor Bill of Rights, at www.TheOnline401k.com.

The Plan Participant's Bill of Rights

Article I: The right to fair disclosure of the total cost of participation

Without a doubt, participating in a 401k plan is a good thing. However, participation does not have to be blind. Participants need to be given information, delivered clearly and concisely on how much of their plan dollars are being diverted to cover specific costs related to plan administration, investments and rebalancing.

Article II: The right to know who is benefiting from their investment selections

Who benefits from all the nickel-and-dime fees that come out of participants' pockets? The broker, the plan provider, the plan sponsor and the mutual fund

companies are all likely to be compensated out of participants' money. Participants deserve to know who is making money off their money.

Article III. The right to know how to manage their 401k plan to avoid higher cost investments.

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 sneaky ways to divert money away from the participants (which usually include plan sponsors themselves!).

Participants should be given basic information on how to invest within the plan to avoid higher cost, poor performing investments, as part of other investment advice they may be receiving under the Pension Protection Act of 2006.

Article IV. The right to plan performance on both a GROSS and NET basis.

You might take a look at the performance of your mutual funds in your 401k online and get excited by how well they've done. But, when your quarterly statement comes, things don't look so rosy. What happens to your performance?

It gets undercut by fees and expenses, which is why it is important for participants to be given a full report of their plan portfolio's performance before and after fees and expenses hit the portfolio.

Article V. The right to free re-balancing within their 401k

Participants are often encouraged to rebalance their 401k plans. Keeping an appropriate asset allocation is important to long-term success.

However, deferred fees of up to 5% can undercut the benefit of rebalancing, particularly if you sell your winners following the axiom of buy low and sell high. If you get a 5% return on \$100, you have \$105. Then, taking a 5% deferred fee on that \$105 when you sell those shares, you are left with \$99.75. It doesn't seem right, does it?

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, CA, the firm provides plan administration and management services to individuals and businesses in all fifty states. For more information on The Online 401k, visit www.TheOnline401k.com.

###

[Click here](#) for more material dealing with current trends, opinion, news, legislative action, investments, marketing, sales, consulting, and legal issues on 401k plans.

This is a press release provided by the company or its representatives. 401khelpcenter.com, LLC is not the author of this release and is not associated or affiliated with any firm or organization mentioned unless otherwise noted. Use of any information obtained from this release is voluntary, and reliance on it should only be undertaken after an independent review of its accuracy, completeness, efficacy, and timeliness. Reference to any specific commercial product, process, or service by trade name, trademark, service mark, manufacturer, or otherwise does not constitute

or imply endorsement, recommendation, or favoring by 401khelpcenter.com, LLC.

[Press Center](#) | [Glossary](#) | [Privacy Policy](#) | [Terms of Use](#) | [Contact Us](#)

Copyright (c) 1999 - 2007 by 401khelpcenter.com, LLC