

PUBLICATION

Importance of Reviewing Retirement Plan Service Fees

January 8, 2007

Recent suits against a number of large employers may foretell a new wave of retirement plan litigation. A number of suits allege that employers and employees managing retirement plans have improperly approved the payment of fees to mutual fund companies and other service providers, in a variety of ways. The service fees paid by the plans are alleged to be too high due to unnecessary expertise or services, complex administration, overlooked available discounts, failures to understand the service contracts (how much was really being paid, by whom to whom, and for what), and for similar reasons. These suits under ERISA seek recovery both from the companies involved and from the employees managing the plans. .