



FinishStrong by Design™

A newsletter designed to help you tackle the most pressing issues in today's increasingly complex retirement plan world.

Volume 1; Edition 1

Why the Pension Protection Act (PPA)?

May 2008©

As one of the people at your firm charged with oversight responsibility for the 401(k) or other retirement plan, have you wondered what this is all about? What are the feds up to now? Consider this:

In 1963, Studebaker-Packard closed its automobile assembly plant in South Bend, Indiana. More than 4,000 employees between the ages of 40 and 59 lost their jobs and received from their retirement plan *only 15 cents on each dollar* of promised retirement benefit. This dramatic event emerged as a powerful rallying symbol of the need for pension reform and resulted in the landmark enactment of the Employee Retirement Income Security Act of 1974 (ERISA).

Now, more than 30 years later, a new regulatory climate has resulted in significant ERISA disclosure changes. It's called the **Pension Protection Act (PPA) of 2006**. Maybe you've recently been bombarded by it. Some brief PPA facts:

- signed into law by President Bush on Aug. 17, 2006
- contains many implications for plan sponsors (you), your employees, and financial professionals (us)
- some changes are effective now, others later in 2008
- the bill is so massive, some wonder if finalization of all regs won't be complete until 2009.

It would be a literal impossibility to try to address all of its contents at once. Rather, this and following issues of **FinishStrong by Design™** will examine an aspect of PPA - and other timely, relevant topics affecting the retirement plan world.

Here's what we know - PPA is intended to strengthen workers' retirement security by:

- Mandating certain forms of retirement plan fee disclosure,
- Defining a new age of permissible default investment alternatives,
- Encouraging automatic enrollment in 401(k) plans,
- Legitimizing so-called "cash balance" plans, *and*
- Making permanent the improvements in the Economic Growth and Tax Relief Reconciliation Act (EGTRRA).

How Does this Affect Me?

An immediate challenge for many employers is to make sense of the disparate voices and opinions driving these discussions. We cannot play ostrich - the implications are real. To help you respond, ***FinishStrong by Design™***, this monthly newsletter, will provide you with an explanation of what's going on (and why), who's currently leading the discussions and practical tips to help you respond appropriately.

The Bottom Line

We'll begin by exploring one of the most pervasive issues: **Fee Disclosure**. For years, standard operating procedure was for 401(k) providers to mask fees and to sweep the entire discussion under the table with evasive or misleading language. PPA has changed this - overnight. The FIRST STEP is for you to know the TOTAL annual fees charged against your retirement plan. We will go into more detail about 401(k) fees in our next ***FinishStrong by Design™*** issue.

If you need help, *Triune* has a proprietary tool called ***Full Fee Disclosure®*** (FFD), where we condense the entirety of your plan's fees onto a single page, easily-understood report. We'd be happy to send you a complimentary copy of our template - JUST ASK. Then you can obtain the information from your current providers and simply "fill-in-the-blanks". To request your free copy, please email finishstrong@triunefp.com with "NEED FFD TEMPLATE" in the subject line or call **913-825-6100**.

Until next time,

Geoff

Geoffrey S. Huber, CFP®, ChFC, AEP, CFBS, CLU
Partner, Retirement Plans
Triune Financial Partners, LLC
finishstrong@triunefp.com
www.triunefp.com
(913) 825-6100

Registered Representative, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, Investment Advice offered through Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Triune Financial Partners, LLC are not affiliated.

© Copyright 2008, Geoffrey S. Huber, CFP®, Triune Financial Partners, LLC. All rights reserved. This article must not be duplicated in whole or in part without the express written consent of Mr. Huber and Triune. Thank you.