



**BCG**  
**Benefit Consultants Group**  
 Building financial security since 1958

## The Summary Prospectus and ERISA 404(c)

If you allow your participants to direct the investment of their accounts, you may be familiar with ERISA §404(c). That law allows plan sponsors and other plan fiduciaries to be relieved from liability for the investment choices made by plan participants as long as specified requirements are satisfied.

In general, the information that must be provided includes:

1. An explanation that the plan is intended to be a 404(c) plan and that the fiduciaries may be relieved of liability.
2. A general description of each investment option, its objectives and risk and return characteristics, and information regarding the type and diversification of assets in the portfolio of the designated alternative.
3. The identity of any designated investment manager.
4. An explanation of the circumstances under which participants may give investment instructions including any limitations on such instructions.
5. A description of transaction fees and expenses chargeable against the participant's account.
6. Contact information for the plan fiduciary responsible for giving information on request.
7. Information regarding investments in employer securities.
8. A copy of most recent prospectus provided to the plan if the investment is subject to the Securities Act of 1933 (this can be given immediately before or after investment).

The requirement that a full prospectus be delivered with respect to each fund investment made by a participant has been criticized over the years, both for the logistical problems it creates as well as the utility of overloading the participant with reams of information that he or she probably will never read. Last year, the Securities and Exchange Commission (SEC) issued Summary

### Hot Subjects

[The Summary Prospectus and ERISA 404\(c\)](#)  
[Testimonial Corner](#)  
[BCG Goes Green!](#)

### Benefit Consultants Group Goes Green!

BCG has implemented a Go Green campaign. We want to foster a culture of recycling, reduce our carbon footprint, and protect and preserve our planet's ecology. That's why we have taken steps to change the way our business operates. We have adopted principles, policies and practices that improve the quality of life for our clients, communities and environment.

### Flexible Work Arrangements

We offer our employees flexible work arrangements: such as, flextime, part-time hours, and the ability to work remotely. This helps to reduce gasoline consumption and emissions.

### Corporate Responsibility for the Environment

- A company-wide recycling program collects paper, glass,

Prospectus requirements for satisfying mutual fund prospectus delivery requirements. These enhanced mutual fund disclosure rules satisfy the requirements of the Securities Act. On September 8, 2009, the DOL issued a Field Assistance Bulletin (FAB) addressing the delivery of a Summary Prospectus to satisfy obligations under ERISA Section 404(c) regulations. The FAB describes the circumstances in which a participant-directed individual account plan may satisfy the prospectus delivery requirements of Section 404(c) by providing a Summary Prospectus. The DOL believes the delivery of a Summary Prospectus, both automatically and upon request, by an identified plan fiduciary or designee to plan participants or beneficiaries satisfies the prospectus delivery requirement of ERISA 404(c).

The Summary Prospectus is a short-form document, written in plain English in a clear and concise format, and its required contents provide a summary of key information about a mutual fund that is useful to participants and beneficiaries in evaluating and comparing their plan investment options. The Summary Prospectus must explain, among other things, how investors may obtain the statutory prospectus and other information free of charge.

Proposed DOL regulations, currently being reconsidered, would have permitted the prospectus to be provided only on demand by the participant. If this change is re-proposed with the new regulations, it would go even further in providing useful information to plan participants only when they want it.

BCG's website makes the fund prospectus available to all participants (as well as the plan sponsor and financial advisor). We also make a one page fact sheet available with the click of a mouse. The site will be updated in the future to provide a summary prospectus that complies with the new rules discussed above.

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## Testimonial Corner

Thank you for sharing your positive experiences about our staff. Once a month, we will share a testimonial regarding one of our staff members.

### Here's what another client is saying about BCG...

*"I would like to make you aware of the outstanding effort of one of your account managers in serving my firm.*

*Starting in July, 2009, Sean Drake initiated the process of dissolving a 401K program. It proved to be a long, tedious process. Mr. Drake spent a great deal of time bringing the situation to a satisfactory conclusion. Without his expertise and patience with my questions the process would have been enormously difficult for me to achieve.*

*I would appreciate if you could provide some means in which his*

- plastic and metal.
- Electronic delivery of:
    - electronic signatures
    - form 5500
    - invoices
    - payrolls
    - e-Statements
    - incoming faxes are scanned digitally
    - process online loan and distribution requests

### Energy Savings Through Web Services

Our website provides educational assistance with our video library on varied retirement plan services. Our clients also have access to research products, receive quotes and other services. In addition to the added convenience of these electronic capabilities, it has reduced the use of paper, as well as the costs and associated environmental impact of transporting hard-copy documentation via the mail.

### Energy-Saving Equipment

Our IT department recently purchased VMware virtualization equipment that can consolidate 10 or more physical machines onto a single server, which will reduce power consumption, and cost by 80 - 90 percent without sacrificing reliability or service levels.

All these improvements help to eliminate the need for paper usage, reduce energy consumption, and have a positive impact on the environment. We are proud of our environmentally conscientious efforts, and encourage our partners and clients to join us in our mission to go green!

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*invaluable service to me can be highlighted."*



We invite you to share your experiences with us and to let us know how we met or exceeded your expectations. Drop us an email about your experience - [click here!](#)

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## **Benefit Consultants Group**

is the first retirement plan provider in the country to be ISO 9001 Registered.



For more information about our services, please call 800-524-401k, or visit our website at [www.bcgbenefits.com](http://www.bcgbenefits.com).

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