

CAA H&W Service Provider Fees

408(b)(2)(B) DISCLOSURE RULES TAKE EFFECT
FOR CONTRACTS SIGNED IN 2022

BACKGROUND

Along with several other new disclosure requirements, the Consolidated Appropriations Act enacted ERISA section 408(b)(2)(B), requiring brokers and consultants who receive at least \$1,000 in direct or indirect compensation to disclose that compensation to the plan fiduciary. Although similar requirements have been in effect for more than 10 years in the retirement space, this regulation applies to ERISA covered self and fully insured health and welfare plans regardless of their size. The goal of these disclosures is to increase transparency especially for indirect compensation received from third parties.

STEPS TO ENSURE COMPLIANCE:

1. Review the [DOL Field Assistance Bulletin](#) and consult your ERISA attorney to understand what service providers and plans are covered by this requirement.
2. Revisit any service provider contracts signed, renewed or extended after December 27, 2021 to ensure the disclosure requirements abide by the new rules.
3. Review your service provider's fee disclosures to ensure they are in line with your understanding.

ABOUT OPTIMATUM

Optimatum is a vendor management firm that focuses exclusively on the HR supply chain with turnkey solutions that improve the financial, operating performance, transparency and accountability of HR Benefit programs while still maintaining existing vendor relationships.

Our support of the HR workstream during the M&A lifecycle encompasses operational due diligence, day-one readiness and post day-one synergies. We assist sponsors in leveraging the aggregate purchasing power of their portfolio to capture value and drive margin expansion.