

Fee Disclosure - A Practical Toolkit for Employers

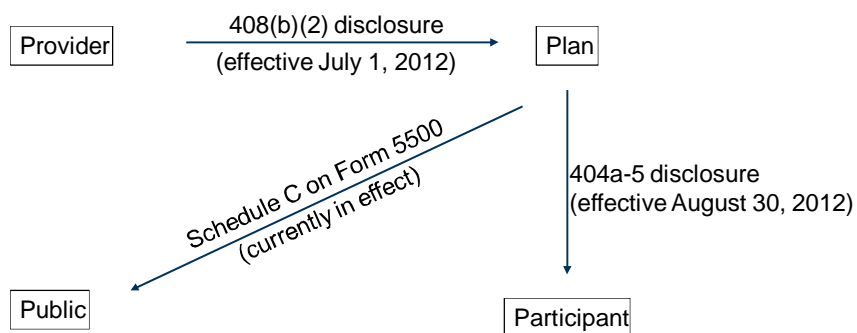
Faegre Baker Daniels
Benefits and Executive Compensation

August 9, 2012

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I. Context

DOL initiatives to disclose fees



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II. Overview

- ▶ Service Provider Disclosures
- ▶ Participant Fee Disclosures
- ▶ The Latest Guidance
- ▶ Challenging Issues

III. 408(b)(2) - Why Should I Care?

- ▶ 408(b)(2): So what, why should I care?
- ▶ Compliance required for prohibited transaction exception for “reasonable” compensation for “necessary” services
 - ▶ Fiduciary liability to make good any losses to the plan resulting from violation of ERISA
 - ▶ Service providers may be subject to excise tax

III. 408(b)(2) - Checklist

- What plans are subject to the new regulation?
- Who are covered service providers?
- What are the required disclosures?
- What are the special disclosures?
- How must the disclosures be provided?
- When are disclosures required?

III. 408(b)(2) - Checklist

- ▶ What plans are subject to the new regulation?
- ▶ Most retirement plans that are subject to ERISA are covered
- ▶ Welfare plans are not, although DOL reserved rulemaking for service provider disclosures to welfare plans



III. 408(b)(2) - Checklist

- ▶ Who are covered service providers?
 1. Fiduciary or registered investment adviser
 - ▶ To plan as a fiduciary
 - ▶ To an investment vehicle that holds plan assets and in which plan has a direct equity investment
 - ▶ To plan as investment adviser
 2. Recordkeeper/broker
 - ▶ To participant-directed individual account plan where "designated investment alternatives" made available in connection with recordkeeping or brokerage services

III. 408(b)(2) - Checklist

- ▶ Who are covered service providers? (cont.)
- 3. Other service providers who reasonably expect to receive indirect compensation:
 - Accounting
 - Auditing
 - Actuarial
 - Appraisal
 - Banking
 - Consulting (relating to investment policies or selecting and monitoring service providers and investments)
 - Custodial
 - Insurance
 - Investment Advisory
 - Legal
 - Recordkeeping
 - Securities or other brokerage
 - Third party administration
 - Valuation

III. 408(b)(2) - Checklist

- ▶ What are the required disclosures?
- ▶ Services
- ▶ Status
- ▶ Compensation
 - ▷ Direct
 - ▷ Indirect
 - ▷ Related parties
 - ▷ Termination of contract compensation
 - ▷ Manner of compensation



III. 408(b)(2) - Checklist

- ▶ What are the special disclosures?
- ▶ An ERISA plan asset vehicle (such as a collective trust) must disclose:
 - ▷ Compensation that will be charged against amount invested in connection with sale or withdrawal from investment
 - ▷ Expense ratio
 - ▷ Ongoing expenses in addition to expense ratio
 - ▷ For each "designated investment alternative", all other information within the control or reasonably available under 404a-5 (participant disclosures)

III. 408(b)(2) - Checklist

- ▶ What are the special disclosures? (cont.)
- ▶ Recordkeepers and brokers to individual accounts must disclose:
 - ▷ For each “designated investment alternative”, must disclose information similar to that required for a fiduciary to an ERISA plan asset vehicle:
 - ▶ Compensation that will be charged against amount invested in connection with sale or withdrawal from investment
 - ▶ Expense ratio
 - ▶ Ongoing expenses in addition to expense ratio
 - ▶ Disclosures can be made by providing issuer’s disclosure materials (prospectus or other information)
- ▶ Recordkeepers
 - ▷ Good faith estimate of recordkeeping services

III. 408(b)(2) - Checklist

- ▶ How must the disclosures be provided?

**ABC Service Provider, Inc. (ABC)
Guide to Services and Compensation
Prepared for the XYZ 401(k) Plan**

The following is a guide to important information that you should consider in connection with the services to be provided by ABC to the XYZ 401(k) Plan.

Should you have any questions concerning this guide or the information provided to you concerning our services or compensation, please do not hesitate to contact [enter name of person and/or office] at [enter phone number and/or email address].

Required Information	Location(s)
Description of the services that ABC will provide to your Plan.	Master Service Agreement § 2.4, p. 1
A statement concerning the services that ABC will provide as [an ERISA fiduciary] [a registered investment adviser].	Master Service Agreement § 2.6, p. 2
Compensation ABC will receive from your Plan ("direct" compensation).	Master Service Agreement § 3.2, p. 4
Compensation ABC will receive from other parties that are not related to ABC ("indirect" compensation).	Not Applicable
Compensation that will be paid among ABC and related parties.	Not Applicable
Compensation ABC will receive if you terminate this service agreement.	Not Applicable
The cost to your Plan of recordkeeping services.	Not Applicable

III. 408(b)(2) - Checklist

- ▶ When are disclosures required?



III. 408(b)(2) - Now What Do We Do?

- ▶ You received 408(b)(2) disclosures, what do you do with them?
 - ▷ Review
 - ▶ Providers to determine who are "covered service providers"
 - ▶ Legal compliance
 - ▶ Reasonable and necessary
 - ▶ Conflicts of interest
 - ▶ Consistency with Schedule C and participant disclosures
 - ▷ Document
 - ▶ Date of receipt and materials received
 - ▶ Discussion of review
 - ▶ Allocation if services provided across plans

III. 408(b)(2) - Now What Do We Do?

- ▶ Request
 - ▷ Documentation or affirmative statement
 - ▷ Clarification

- ▶ If incomplete,
 - ▷ Discuss missing information as a courtesy
 - ▷ If still unresolved, request additional information in writing
 - ▷ If still unresolved 90 days later, must report to the DOL
 - ▷ Consider terminating relationship

III. 408(b)(2) - Now What Do We Do?

Sample Notice – Delinquent Service Provider Disclosure

[Date of Notice]

Delinquent Service Provider Disclosure Coordinator,
Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave., N.W., Suite 600
Washington, DC 20210

Re: [Plan Name]
[Sponsor EIN/Plan number]
[Plan sponsor's name; address]

Delinquent Service Provider Disclosure Coordinator:

The employee benefit plan referred to above has entered into a contract or arrangement for the provision of services with the following service provider:

[Name of covered service provider]
[Address of covered service provider]
[EIN of covered service provider, if known]
[Contact person for covered service provider]
[Telephone Number of contact person]

This matter relates to the following services provided to the plan by the service provider:

[Brief description of services provided to plan by covered service provider]

I am the responsible plan fiduciary to whom disclosures must be made pursuant to 29 CFR § 2550.408b-2(c)(1). I have determined that the plan has not received the following information from the service provider as of [INSERT DATE]:

III. 408(b)(2) - Now What Do We Do?

- ▶ What about providers who are not “covered service providers”?
 - ▷ Still review for reasonableness
 - ▷ Similar process?

- ▶ Going forward
 - ▷ Consider structure of expenses
 - ▷ Consider whether action needs to be taken to determine reasonableness
 - ▷ Consider 408(b)(2) and participant disclosure obligations when negotiating contracts
 - ▷ Consider a periodic review of providers
 - ▷ Ongoing process

III. 408(b)(2) - Updated Information

- ▶ New Relationships
 - ▷ Reasonably in advance of the date that the contract is entered into, renewed or extended

III. 408(b)(2) - Updated Information

- ▶ Changed information:
 - ▷ Changes to any of the disclosures are required as soon as practicable but not later than 60 days
 - ▷ However, changes to any of the additional disclosure information required from ERISA fiduciaries to ERISA plan asset vehicle or recordkeeping or brokerage service providers to participant-directed individual account plan are only required annually

III. 408(b)(2) - Updated Information

- ▶ Corrections
 - ▷ Corrections to the disclosures must be made as soon as practicable but not later than 30 days

IV. Participant Fee Disclosure - Why Should I Care?

- ▶ 404a-5: So what, why should I care?
 - ▷ Requirement for 404(c) protection for participant-directed investment decisions
 - ▷ Penalties?
 - ▷ DOL Regulations set up as part of 404(a) prudence requirement for plan fiduciaries: Implies fiduciary is liable for breaches

IV. Participant Fee Disclosure - Covered Plans

- ▶ Participant directed individual account retirement plans -
 - ▷ Direct the investment of all or a portion of account
 - ▷ Plan benefits based solely on the amounts contributed to the plan and earnings
 - ▷ No small plan exception
- ▶ Examples - 401(k) plans, profit sharing plans, ERISA 403(b) plans, money purchase pension plans
- ▶ Exempt plans -
 - ▷ IRA based plans (SEP IRA plans and SIMPLE IRA plans)
 - ▷ Account based plans that don't allow participant direction
 - ▷ Defined benefit plans

IV. Participant Fee Disclosure - Responsible Fiduciary

- ▶ The ERISA “plan administrator” is responsible for compliance
 - ▷ Plan administrator will be named in the plan document.
- ▶ Plan administrator can rely on information provided by service providers or investment issuers, if such reliance is reasonable and in good faith

IV. Participant Fee Disclosure - To Whom?

- ▶ Participants -
 - ▷ Anyone who is eligible to participate
 - ▷ Even if not enrolled
- ▶ Beneficiaries
 - ▷ If eligible to direct investment
- ▶ Alternate Payees
 - ▷ If eligible to direct investment

IV. Participant Fee Disclosure - Disclosures

- ▶ General plan information
 - ▷ Circumstances under which participant may direct investment
 - ▷ Limitations
 - ▷ Information on voting, tender and similar rights and limits
 - ▷ All "designated investment alternatives"
 - ▷ All designated investment managers
 - ▷ Description of any brokerage window or account
- ▶ When - on or before the participant can first direct investment, then at least annually.
 - ▷ Updated information 30 to 90 days in advance of change

IV. Participant Fee Disclosure - Disclosures

- ▶ Expense information
 - ▷ Fees and expenses for general plan administrative services
 - ▶ If could be charged to the participants accounts
 - ▶ Allocation method
 - ▷ Fees and expenses that may be charged against individual accounts
 - ▶ Not plan-wide
 - ▶ Examples - plan loan fees, investment advice fees, QDRO fees, etc.
- ▶ When - on or before the participant can first direct investment, then at least annually.
 - ▷ Undated information 30 to 90 days in advance of change
- ▶ Quarterly - a notice of amounts actually charged in prior quarter, services provided and whether fees were paid by revenue sharing

IV. Participant Fee Disclosure - Disclosures

- ▶ Investment-related information
 - ▷ Name of each “designated investment alternative”
 - ▷ Type/category of investment
 - ▶ Examples - money market, small-cap, bond, etc.
 - ▷ If return is NOT fixed:
 - ▶ Average annual total return (and a benchmark) for 1, 5 and 10 years
 - ▶ Statement that past performance does not equal future performance
 - ▷ If return is fixed:
 - ▶ Rate of return
 - ▶ Term of the investment
 - ▶ Note - stable value or money market funds are not considered fixed

IV. Participant Fee Disclosure - Disclosures

- ▶ Investment-related information
 - ▷ Fees/expenses of each “designated investment alternative”
 - ▶ Amount and description of shareholder-type fees not included in “total annual operating expenses”
 - ▷ Restrictions/limitations on purchase or sale of investment
 - ▷ The expense ratio
 - ▶ As a % and a dollar amount

IV. Participant Fee Disclosure - Disclosures

- ▶ Investment-related information
 - ▷ "Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions"
 - ▷ "The cumulative effect of fees and expenses can substantially reduce the growth of a participant's or beneficiary's retirement account. Visit the Employee Benefits Security Administration's website for examples of the long-term effect of fees and expenses."
 - ▷ Web site address for each investment alternative
 - ▷ Glossary of investment terms
 - ▷ When - On or before participant can first direct investment, then at least annually
 - ▷ Format - Comparative chart (DOL model)

IV. Participant Fee Disclosure - Disclosures

- ▶ Disclosures on request:
 - ▷ Prospectuses (or similar documents)
 - ▷ Copies of financial statements or other information provided to plan by the investment alternative
 - ▷ Other information

IV. Participant Fee Disclosure - Delivery

- ▶ Delivery of Disclosures
 - ▷ Initial or annual notices
 - ▶ May be provided in the SPD or benefit statements
 - ▶ Must satisfy timing requirements
 - ▶ Must provide full information to all participants
 - ▷ Fees charged against accounts
 - ▶ May be provided in quarterly benefit statements

IV. Participant Fee Disclosure - Electronic Delivery

- ▷ Electronic disclosure
 - ▶ Normal DOL rules
 1. The participant consents to the disclosure; or
 2. The participant has work-related computer access
 - ▶ Quarterly benefits statements - continuous access web site
 - ▶ Other disclosures - additional requirements apply
 1. Initial Notice
 2. Annual Notice
 3. The plan takes appropriate measures to ensure the recipient is actually receiving the disclosure while keeping his or her personal data private.

IV. Participant Fee Disclosure - Investment Options with Special Rules

- ▶ Employer stock
 - ▷ Explanation of the importance of diversification
 - ▷ Some changes to the web site requirements
 - ▷ Different rules apply for unitized stock funds versus share account
 - ▶ If unitized, must disclose fee and expense information
 - ▷ Different definitions for measuring return
- ▶ Annuity products
 - ▷ Benefits and factors that determine the price of the guaranteed payments
 - ▷ Guarantee is subject to the insurer's long-term financial strength and claims-paying ability
- ▶ Target date funds

IV. Participant Fee Disclosure - Issues We've Seen

- ▶ Benchmarks
 - ▷ Must be a broad-based benchmark
 - ▷ Unrelated to the investment issuer (advisor or underwriter), unless the index is widely recognized
 - ▷ Blended or composite benchmarks - allowed if the broad-based benchmark is provided and the blended benchmark reflects the holdings of the designated investment alternative
- ▶ Date of investment returns
 - ▷ Calendar year performance data in main disclosure
 - ▶ FAQ - could be more recent data, if consistent
 - ▷ On website - updated quarterly
 - ▷ Expense ratios - data current as of the date of the disclosure

IV. Participant Fee Disclosure - Issues We've Seen

- ▶ Expenses paid by revenue sharing
 - ▷ On quarterly disclosure, must state whether any plan fees were paid by revenue sharing
 - ▷ FAQ - if participants may be charged fee (if revenue sharing doesn't cover the cost), must disclose arrangement in main disclosure, not just the quarterly disclosure
- ▶ Glossary
 - ▷ Must provide a general glossary of terms to help participants understand the designated investment alternatives
 - ▷ No DOL model
 - ▷ DOL has "blessed" a few options (at www.sparkinstitute.org and www.aba.com)
 - ▷ Can be online, if address is in main disclosure with an explanation

IV. Participant Fee Disclosure - Issues We've Seen

- ▶ Web site
 - ▷ For each designated investment alternative
 - ▶ Name of issuer and its objectives or goals
 - ▶ Turnover rate
 - ▶ Performance data (quarterly)
 - ▶ Principal strategies and risks
 - ▶ Fees and expense information
 - ▷ Web site must be "sufficiently specific" to get to the information
 - ▷ Many providers are giving one web site for all information
 - ▶ DOL allows for reasonable reliance
 - ▷ Employer stock web site disclosure and updates
 - ▶ Employer hosted site or provider hosted site?

IV. Participant Fee Disclosure - Issues We've Seen

- ▶ Identification of "designated investment alternatives"
 - ▷ Definition - any investment alternative designated by the plan into which participants may direct the investment of assets held in the plan
 - ▷ If a designated investment alternative:
 - ▶ Must be on comparative chart, have web site info, etc.
 - ▶ May have 408(b)(2) implications
 - ▷ Investment models?
 - ▷ Investment strategies?
 - ▷ Brokerage window?

IV. Participant Fee Disclosure - Brokerage Windows

- ▶ Q&A-39
 - ▷ Brokerage window not a "designated investment alternative"
 - ▷ Q&A-30, suggesting need for disclosure with respect to popular investments under the brokerage window, is withdrawn

IV. Participant Fee Disclosure - Brokerage Windows

- ▶ FAB 2012-02R
- ▶ Q&A-13
 - ▷ What information must be disclosed about “brokerage windows”?
 - ▶ General explanation (including trading limitations, whom to contact)

IV. Participant Fee Disclosure - Brokerage Windows

- ▶ Q&A-13
 - ▷ What information must be disclosed about “brokerage windows”?
 - ▶ Fee structure
 - ▷ Set up fees
 - ▷ On-going fees
 - ▷ Commissions
 - ▷ In certain circumstances, fees may not be known to Plan Administrator
 - ▶ Then provide general statement

IV. Participant Fee Disclosure - Brokerage Windows

- ▶ Q&A-13
 - ▷ What information must be disclosed about “brokerage windows”?
 - ▶ Statement of fees actually changed

IV. Participant Fee Disclosure - What To Do?

- ▶ What to do if the participant fee disclosure from your provider is not compliant?
 - ▷ Is it good faith compliance?
 - ▶ If so, have them change it for next year’s disclosure
 - ▷ If not?
 - ▶ Consider supplementing the disclosure
 - ▶ Consider changing providers
 - ▷ Compliance is the plan administrator’s responsibility



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**Responsible Plan Fiduciary Checklist
For ERISA Section 408(b)(2) and Participant Fee Disclosures
(Effective July 1, 2012 and August 30, 2012 respectively)**

408(b)(2)/Service Provider Fee Disclosure Checklist

- 1. Determine your “covered plans”
- 2. Determine the “covered service providers” for each covered plan
- 3. Document receipt of 408(b)(2) disclosure from covered service provider
 - * If no 408(b)(2) disclosure is received, follow-up with covered service provider
- 4. Review 408(b)(2) disclosures for compliance with regulatory requirements
- 5. Follow-up with covered service provider if 408(b)(2) disclosures do not comply with regulatory requirements (or are otherwise incomplete, inaccurate or confusing)
- 6. Review 408(b)(2) disclosures for reasonableness
- 7. Document 408(b)(2) review
- 8. Determine whether service provider changes need to be made
- 9. Repeat (review 408(b)(2) disclosures in accordance with checklist for all new, renewed or extended service arrangements or changes to the disclosed information)

Participant Fee Disclosure Checklist

- 1. Determine your “covered plans”
- 2. Determine whether employer or third party administrator is drafting disclosure
- 3. Draft or review disclosure for compliance with regulatory requirements
- 4. Provide disclosures to all eligible employees (beneficiaries and alternate payees)
 - * By August 30, 2012 for initial disclosure
 - * Annually, thereafter
- 5. Review website for compliance with regulatory requirement
- 6. Provide quarterly report of fees charged against participants’ account
- 7. Provide update of changes – at least 30 days in advance of change
- 8. Provide required information upon request
- 9. Document compliance steps



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Practices

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- ERISA, Benefits & Executive Compensation
- Labor & Employment
 - Executive Compensation
- Benefit Plan Governance
- Tax-Qualified Pension, Profit-Sharing & 401(k) Plans

Industries

- Food & Agriculture
- Banking & Financial Services

Education

University of Minnesota Law School
J.D., magna cum laude, Order of the Coif (2000)

Page Fleeger's practice focuses on employee benefits. Page represents employers and financial service providers and provides advice on a wide range of employee benefit issues, including plan design and drafting, resolution of plan administration problems, and compliance with the ever-changing Internal Revenue Code and ERISA. Page has more than ten years of experience providing legal advice to employee benefit plan clients. Before joining Faegre Baker Daniels, Page spent three years administering benefit plans from the employer's perspective.

Assisting Employers


Page regularly represents clients with respect to their typical employee benefit needs, including the design and drafting of traditional qualified retirement plans such as profit sharing plans, 401(k) plans, and defined benefit plans, as well as nonqualified deferred compensation plans and arrangements subject to section 409A of the Internal Revenue Code. In addition to drafting technical plan documents, Page advises clients on plan administration issues and employer communication materials.

"Prototype" Plans

Page has extensive experience working with financial service providers to develop, maintain and secure IRS approval of the prototype plans they offer to their customers. These plans include prototype profit sharing 401(k) and money purchase pension plans, IRAs, SEPs, SIMPLE plans and Coverdell education savings accounts.

Honors

- Minnesota Rising Stars, Employee Benefits/ERISA, 2009 and 2010



Hamline University
B.A., magna cum laude, Phi
Beta Kappa (1994)

Bar Admissions
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 - Indian Tribal Finance
- Labor & Employment
 - Executive Compensation
- Litigation & Advocacy
- Benefit Plan Governance
- Employee Benefits: Governmental & Tax-Exempt Employers
- ERISA Litigation & Other Employee Benefits Disputes
- Tax-Qualified Pension, Profit-Sharing & 401(k) Plans

Doug Heffernan is a partner in the Minneapolis office. He practices exclusively in the law of employee benefits and executive compensation. Doug joined the firm in 1982.

In his practice Doug mainly represents employers, although he also works with providers of financial products and services. Doug's practice includes the full range of legal services an employer traditionally expects from employee benefits counsel, including matters related to:

- Qualified defined benefit pension plans (including "cash balance" plans)
- Profit sharing and stock bonus plans (including 401(k) plans), and money purchase pension plans
- Nonqualified deferred compensation plans
- Health, disability, and life insurance plans

Doug also has expertise in certain areas that are not as common among employee benefits lawyers:

- Collective bargaining and special employee benefit rules applicable to multiemployer pension plans. Doug has worked for many years with the Twin Cities hospitals in connection with the various multiemployer pension plans for nurses and other hospital workers, including the Twin City Hospitals - Minnesota Nurses Association Pension Plan. This experience includes both collective bargaining negotiations regarding pension matters and on-going administration matters for the multiemployer pension plans.
- Special employee benefits rules applicable to tax-exempt, church, and governmental employers. This includes experience with qualified 401(a) church and governmental plans, 403(b) tax sheltered annuities and 403(b)(7) custodial accounts, and 457 deferred compensation issues. Doug used his expertise in those areas to assist the University of Minnesota, the University of Michigan, and Capital University (Ohio) in redesigning their faculty retirement plans after the Tax Reform Act of 1986. Doug also currently advises a number of other colleges on retirement plan matters.
- Issues regarding ERISA litigation, fiduciary duties, and prohibited transactions. This experience includes both counseling clients to resolve the problem as well as working with our litigation lawyers in court proceedings.
- Employee benefit issues arising in connection with corporate sales or acquisitions, or other corporate organization changes. This includes analyzing "affiliated service group" and "leased employee" issues arising from joint ventures.

Honors

- *The Best Lawyers in America*, Employee Benefits Law, 1995-2012
- Martindale-Hubbell AV rated

Industries

- Banking & Financial Services
- Education
 - Colleges & Universities
 - Fraternities & Sororities
 - K-12 Education
- Food & Agriculture
- Indian Tribes
- Sports & Entertainment
 - Gaming
- Exempt Organizations

Education

Cornell Law School
J.D., cum laude (1982)

Cornell University
A.B., cum laude (1979)

Bar Admissions

Minnesota

Court Admissions


U.S. District Court for the
District of Minnesota

Professional Organizations

- Great Lakes Area Tax Exempt/Government Entities (TE/GE) Council, Member
- Minnesota State Bar Association, Past-Chair of Employee Benefits Section
- National Association of College and University Attorneys
- Midwest Pension Conference
- Minneapolis Pension Council, President

Presentations

- **Employee Benefits Developments – a Year in Review**
Minneapolis Pension Council (September 2011)
- **ERISA Fee Disclosure and ERISA Fiduciaries**
Faegre & Benson (December 2010)
- **Employee Benefits Law Update: Plan Expense Reporting and Health Care Reform**
Twin Cities HR Roundtable (June 2010)
- **403(b) Regulatory Compliance and Reporting**
Larson Allen CPE Seminar (February 2010)
- **IRS Update on Deferred Compensation**
Minnesota CLE Advanced Employee Benefits Workshop (January 2010)
- **Minnesota Source Taxation of Deferred Compensation**
Minneapolis Pension Council (December 2008)
- **A 409A Update and How 409A is Changing 457(f)**
Minnesota CLE Advanced Employee Benefits Workshop (January 2008)
- **Decoding the Final 409A Regulations**
Faegre & Benson (2007)
- **Decoding 409A: New Proposed Regulations on Deferred Compensation**
Bank Holding Company Association Spring Seminar (2006)
- **Decoding 409A: New Proposed Regulations on Deferred Compensation**
Faegre & Benson (2005)
- **IRS Circular 230 -- Perils of Giving Tax Advice for Benefits Practitioners**
MSBA Employee Benefits Section (2005)
- **New Nonqualified Deferred Compensation Guidance Released: An Employer's Action Plan for Compliance**
Faegre & Benson (2005)
- **Cafeteria Plans: Section 125/COBRA**
Lorman Education Services (2004)
- **Recent Tax Law Changes for Retirement Plans Sponsored by Colleges and Universities**
Tax Institute for Colleges and Universities, Indiana University (2002)
- **Benefit Plans for Tax-Exempt Employers**
Advanced Employee Benefits Workshop, Minnesota Continuing Legal Education (2002)
- **New Comparability/Cross Testing Regulations**
Qualified/Nonqualified Deferred Compensation, Minnesota Institute of Legal Education (2001)

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- **Use of the 401(k) Safe Harbors**
Qualified/Nonqualified Deferred Compensation, Minnesota Institute of Legal Education (2000)
 - **Executive Compensation Trends and Developments**
Advanced Employee Benefits Workshop, Minnesota Continuing Legal Education (2000)
 - **"Deep Discount" Options on the Stock of a Third Party as an Alternative to Traditional Deferred Compensation**
Qualified/Nonqualified Deferred Compensation, Minnesota Institute of Legal Education (1999)
 - **403(b) Plan Audits and IRS Compliance Programs**
Tax Institute for Colleges and Universities, Indiana University (1999)
 - **401(k) v. 403 (b) Retirement Plans**
Minnesota Society of Certified Public Accountants (1997)
 - **Current Developments for Retirement Plans for Employees of Tax-Exempt and Governmental Organizations**
Employee Benefits Institute, Minnesota Continuing Legal Education (1997)
 - **Plans for Nonprofits**
Employee Benefits Workshop, Minnesota Continuing Legal Education (1997)

Legal Updates

- **Small Business Act Provides Inadequate Solution for Long Term Disability Plans**
RIA Pension & Benefits Week (1996)



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- Labor & Employment

Industries

- Health Care
- Life Sciences
 - Medical Technology
- Manufacturing & Industrials

Education

Hamline University School of Law

Megan Hladilek concentrates her practice in employee benefits law. She advises employers, fiduciaries and service providers on design, governance and administration of retirement, welfare and executive employee benefit plans. Megan revises plan documents, policies and summary plan descriptions for legal compliance with the Internal Revenue Code, ERISA and other applicable laws. She is a frequent contributor to the Faegre Baker Daniels [health care reform blog](#).

Megan also assists clients with prohibited transactions, corrections and government filings with the Internal Revenue Service and the Department of Labor. She provides practical counsel to employers on design and communication of domestic partner benefits. Megan advises clients on investment management agreements and fee disclosures. In mergers and acquisitions, she analyzes benefits issues for clients. Megan has experience assisting employers with international benefits.

Pro Bono & Community Service

- United Way — Campaign Co-Chair, 2011 and 2012

Honors

- Minnesota State Bar Association — Labor & Employment Law Section, Outstanding Achievement Award, Employment Discrimination Law, 2007

Professional Organizations


- Minnesota State Bar Association — Employee Benefits Section
- Minnesota Women Lawyers

Presentations

- **408(b)(2) - A Practical Toolkit for Investment Advisers**
Faegre Baker Daniels, Minneapolis, May 2012
- **Healthcare Reform & You**
Small Business Breakfast Seminar, Denver, 2010

Legal Updates

- **Can I Go to Chemo?: Protecting Employee Rights to Intermittent and Reduced Leave Under the Family and Medical Leave Act**
29 Hamline L. Rev. 378, 2006



J.D., Law Review (notes and
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- Health & Welfare Plans
- Tax-Qualified Pension, Profit-Sharing & 401(k) Plans

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University of Minnesota Law School
J.D., magna cum laude (2009)
University of Minnesota
M.A. (2007)
Middle Tennessee State University
B.A., cum laude (2001)

Bar Admissions
Minnesota

Court Admissions
U.S. Court of Appeals for the Eighth Circuit

Natalie W. Kohner

Associate

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Natalie Kohner is a member of the firm's ERISA, Benefits & Executive Compensation team. Natalie assists employers, multi-employer plans and service-providers with a range of retirement and welfare matters.

Natalie's representative experience includes:

- Drafting and amending plan and trust documents, including international plan documents.
- Assisting defined benefit plans in converting to cash balance plans.
- Advising plan sponsors on international compliance issues.
- Writing summary plan descriptions, summaries of material modification and other employee communications.
- Preparing submissions with the Internal Revenue Service, including prototype plan submissions.
- Analyzing benefit claims and qualified domestic relations orders.

Prior to joining the firm, Natalie worked as a legal advisor for the International Labour Organization in Geneva, Switzerland, focusing on international standards for employers.

A seasoned debater, Natalie currently services as an executive board member of the Minnesota Urban Debate League.

Presentations

- **Employee Benefits Developments – a Year in Review**
Minneapolis Pension Council (September 2011)

Legal Updates

- **Child Labour: a Public Health Perspective (chapter on international law, co-author)**
Oxford University Press (2010)

ERISA, Benefits & Executive Compensation

The ERISA, benefits and executive compensation lawyers at Faegre Baker Daniels address the most difficult questions and provide definitive answers to a broad range of sophisticated clients from coast to coast and around the world.

Our clients include employers from business startups to several established Fortune 100 companies. We also represent many benefit plan fiduciaries, insurers, record keepers, financial services companies and other benefit service providers. The range of our client base gives us a deep and broad perspective on the ever-changing world of employee benefits and executive compensation. Great clients make for great lawyers, and we have great clients.

We are one practice group, with employee benefits and executive compensation professionals coordinating from many locations across our U.S. and international offices. We act proactively, always keeping our clients ahead of the legal compliance and risk mitigation curve—and we communicate complex issues succinctly, providing clear direction to clients who need to move forward.

Our services do not stop at the U.S. borders. We have international expertise and, either ourselves or in coordination with a vast network of international counsel, can provide worldwide assistance to our clients who have worldwide needs.

About Us

Faegre Baker Daniels is dedicated to serving the legal needs of local, national and international businesses. From offices in the United States, United Kingdom and China, our more than 800 legal and consulting professionals provide the depth and breadth of expertise necessary to solve complex business challenges. With roots dating back to 1863, our firm is one of the 75 largest law firms headquartered in the U.S.

As part of the global business community, we recognize that optimal results are driven by a spirit of collaboration and a team approach to service. With that understanding, we collaborate with clients—and each other—every day to handle the complex transactions, regulatory matters and litigation that businesses face. We partner with clients ranging from emerging startups to multinational corporations in more than 85 practice areas and industry segments, providing advice uniquely suited to each company's individual needs.

From U.S. locations in Boulder, Denver, Chicago, Fort Wayne, Indianapolis, South Bend, Des Moines, Minneapolis and Washington, D.C. to international locations in Beijing, Shanghai and London, we serve clients in every U.S. state and more than 100 countries.

Our legal expertise includes corporate; environmental; ERISA, benefits and executive compensation; finance and restructuring; government; intellectual property; labor and employment; litigation and advocacy; real estate and construction; regulatory; tax; and wealth management. Our practices are complemented by 16 industry teams, including more than 100 lawyers in food and agriculture; banking and financial services; life sciences; and energy, resources and clean technology.

Some situations call for expertise that extends beyond legal advice. Based in Washington, D.C., FaegreBD Consulting is our national advisory and advocacy division that integrates public policy and regulatory capabilities with the rest of the firm's legal services. Consulting professionals work at the intersection of the federal government and clients in sectors such as health and biosciences, energy and environment, education, local government, and financial services. FaegreBD Equity Property Tax Group, based in our Chicago office, advises clients in property tax matters.