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1.00%.

Feb. 25, 2013

The average total plan cost for a small retirement plan (50 participants/\$2,500,000 assets) declined from 1.47% to 1.46% over the past year, while the average total plan cost for a large retirement plan (1,000 participants/\$50,000,000 assets) declined from 1.08% to 1.03% over the past year according to the 13th Edition of the [401k Averages Book](#).

The study shows the small plan average investment expense went from 1.38% to 1.37%, while the large plan average investment expense declined from 1.05% to 1.00%.

Department of Labor's 408(b)(2) Disclosure Regulations in Effect

"401k fees have been trending down over the years but the Department of Labor's fee disclosure regulations helped bring a great deal of attention to [401k plan fees](#). More plan sponsors and their advisors recognize the importance of plan fees and the [wide range of fees](#) in the marketplace," says Joseph Valletta, co-author of the 401k Averages Book. The average total expense for a small plan is 1.46%, but the range between the high and low total plan expense is .38% to 1.97%.

Target Date Funds Less Expensive than Traditional Balanced Funds

"For the first time, the 13th Edition separated target date funds from traditional balanced and risk based funds. Since target date fund usage continues to grow in 401k plans we thought it was important to calculate the [average cost of target date funds](#) available within 401k offerings," says David Huntley, co-author of the 401k Averages Book. The study finds the average target date fund expense for a large plan is

.98%, while the balanced fund average is 1.12%. The average target date fund expense

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The 13th Edition of the 401k Averages Book is available for \$95. Advisors may purchase an annual [Individual Advisor License](#) which allows them use the data in their client reports. The 401k Averages Book can be purchased by calling (888) 401-3089 or online at www.401ksource.com.

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