



## **Participant Disclosure Glossary – “Cash Equivalent” Issue**

February 16, 2012

An issue has been brought to our attention regarding the term "Cash Equivalent," defined on page 2 of the “Sample Glossary of Investment-Related Terms for Disclosures to Retirement Plan Participants” developed by The SPARK Institute and ICI. Pre-existing FINRA guidance – Regulatory Notice 2008-82 – raises concerns about use of the term “cash equivalent” in advertising and sales material for certain investment products, suggesting use of the term “cash alternative” instead. (In the sample glossary, the term cash equivalent also is used in the definitions of "Asset Allocation" and "Asset Class" on page 1). Based on the nature of the glossary, and in light of the recent FINRA relief for DOL participant disclosures in Regulatory Notice 2012-02, The SPARK Institute and ICI do **not** intend to modify the glossary at this point, and will consider making modifications and creating a new version of the glossary when we have other possible changes that would justify doing so. Until then, each member or other user of the sample glossary can decide for themselves whether or not to modify what they plan to use.