

July 20, 2011

Jean Martone

Director, Retirement Plans Consulting Group



DOL Extends Effective Dates for Retirement Plan Fee Disclosure Rules

On July 13, 2011 The US Department of Labor's Employee Benefits Security Administration (EBSA) issued a final regulation to extend the effective dates for its retirement plan fee disclosure rules.

The DOL published an interim final regulation under ERISA Section 408(b)(2) on July 16, 2010, requiring covered service providers of retirement plans to disclose information about their fees and potential conflicts of interest to ERISA-covered plan fiduciaries. The regulation was to become effective on or after July 16, 2011. This regulation moves the effective date to April 1, 2012.

The DOL had also published a final participant-level regulation on October 20, 2010, requiring employers to disclose information about plan and investment costs to participants who direct their own investments in ERISA-covered 401(k) and other individual account retirement plans. This regulation, which applies to plan years beginning on or after November 1, 2011, contained a 60-day transition rule that permitted initial compliance no later than 60 days after the beginning of the first plan year on or after November 1. This final rule retains a modified version of the 60-day transition rule that works in conjunction with the new effective date of the 408(b)(2) regulation. This will ensure that the 408(b)(2) regulation becomes effective first and that all plans will be able to take advantage of the transition period following the effective date of the 408(b)(2) regulation.

The entire rule is available at <http://www.dol.gov/ebsa/pdf/extensionofapplicabilitydatesfinalrule.pdf>.

Underpinning our success has been our core philosophy:
do everything in the best interest of the client.

Every effort has been made to provide accurate and authoritative information in regard to the subject matter in this alert; however, accuracy and completeness cannot be guaranteed and is not warranted as such. Many statements and sources were used in compiling the data for this alert. PEI does not assume responsibility for the accuracy or completeness of such information. In addition, certain information contained in this alert may be obtained from multiple sources. PEI does not warrant that such information is accurate, correct, complete or timely. This information is provided with the understanding that PEI is not engaged in rendering legal, accounting, or actuarial advice. If such advice is required, the services of a competent professional of this kind should be sought. The information contained in this alert does not constitute the recommendation of any investment advisor or their services nor does PEI assume responsibility for the conduct of any investment manager including the investment performance or compliance with the laws and regulations to which they are subject. This alert has been prepared exclusively, and confidentially, for the informational use of the recipient and any other use, including the reproduction of this report in any form, is prohibited without the prior express written permission of PEI.

New York Metro

Atlanta

Chicago

Dallas

Los Angeles

Corporate Headquarters | 15 Independence Boulevard | Warren, New Jersey 07059
Ph: 973-538-4347 | Fx: 973-538-0935 | www.porteval.com