

EBSA News



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US Department of Labor announces intention to extend applicability date of section 408(b)(2) fee disclosure regulation

WASHINGTON --- The U.S. Department of Labor's Employee Benefits Security Administration today announced that it intends to extend the applicability date for the new disclosure rules under section 408(b)(2) of ERISA to Jan. 1, 2012.

The department published an interim-final regulation on July 16, 2010, requiring certain service providers to employee pension benefit plans to disclose information to assist plan fiduciaries in understanding the reasonableness of the fees being charged for plan services and assess potential conflicts of interest that might affect the quality of those services. The new requirements are scheduled to apply to plan contracts or arrangements for services in existence on or after July 16, 2011.

“The department intended to have final rules in place sufficiently in advance of the July 16 applicability date to avoid compliance problems for both plans and their service providers,” said Phyllis C. Borzi, Assistant Secretary of EBSA. “Given the need to ensure a careful review of all the valuable input we received on the interim final rule, including suggestions for a summary document to further assist plan fiduciaries in their review of furnished information, we now believe plans and plan service providers would benefit from an extension of the rules applicability date. An extension of the applicability date to Jan. 1, 2012 will ensure that we have the time we need to get the final rule right and that plans and their service providers have the time they need to undertake orderly and efficient compliance efforts following publication of the final rule,” Ms. Borzi said.

Additional information about the about the final regulation is available on EBSA website at www.dol.gov/ebsa. Questions concerning the applicability date or the final rule may be directed to Jeffrey Turner at 202-693-8500.

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