
SPECIAL BULLETIN

DOL Delays Effective Date of Pension Service Provider Fee Disclosures From July 16, 2011 to January 1, 2012

In [Benefit News Briefs 2010-81](#), we discussed in detail the Department of Labor's (DOL) interim final regulation under the *Employee Retirement Income Security Act of 1974 (ERISA)* that would require certain service providers to employee **pension** benefit plans to disclose fee information. Until the newly announced delayed effective date, the final regulation was to be effective for contracts or arrangements between plans and service providers as of **July 16, 2011**.

HOWEVER, the DOL announced it intends to **extend the applicability date** for the new disclosure rules **to January 1, 2012**.

In brief, the interim-final regulation would require 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.

In explaining the delayed effective date, Phyllis C. Borzi, Assistant Secretary of the DOL's Employee Benefits Security Administration (EBSA) said,

"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. 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 January 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."

A news release from the DOL directed interested parties to direct questions concerning the applicability date or the final rule to Jeffrey Turner at (202) 693-8500.

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