



DOL Further Delays Investment Advice Regulations

The DOL has again delayed the effective date of the final regulations it issued on January 21, 2009 that implement the investment advice provisions of the Pension Protection Act.

Background

The Pension Protection Act of 2006 (PPA) provided a new ERISA prohibited transaction exemption for investment advice with respect to defined contribution plans. The purpose of the exemption was to expand access to investment advice from fiduciary investment advisors to participants and beneficiaries of participant-directed individual account plans. On January 21, 2009, DOL published [final regulations](#) implementing and providing guidance on the PPA exemption. The regulations basically allowed investment advice to be provided through an adviser compensated on a level-fee basis or through a computer model certified as unbiased.

The final regulations were scheduled to take effect on March 23, 2009, but the effective date was delayed for 60 days when President Obama took office. In May, the effective date was further delayed until November 18, 2009.

Further Effective Date Delay

Now the DOL has [announced](#) that it will delay the effective date of the regulations for an additional 180 days – i.e., until May 17, 2010.

BUCK COMMENT. *We understand that DOL is reconsidering these regulations and will likely repropose them. It is also worth noting that legislation has been proposed that would revise the PPA provisions governing investment advice.*

Conclusion

Buck's consultants are available to discuss the current investment advice rules under PPA as well as the impact of future legislation or regulations on providing investment advice under your defined contribution plans.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.