

# FYI® Alert

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## DOL releases auto-portability prohibited transaction exemption

DOL has granted the proposed prohibited transaction exemption requested by Retirement Clearinghouse, LLC (RCH). RCH aims to help employees “consolidate small accounts held in a prior employer’s individual account plan and rollover IRA into a new employer’s 401(k) or other defined contribution individual account plan.”

As we noted in our [December 3, 2018 FYI](#), the PTE supplements the advisory opinion issued in November to clarify plan fiduciary standards when participating in the RCH program. RCH requested a prohibited transaction exemption for its collection of fees under this program, which is needed because of its status as a fiduciary in the transfer from the default IRA account into the new employer’s plan. The [final exemption](#) includes some administrative refinements to the proposed exemption and will be effective for five years. The PTE allows RCH to transfer balances of \$5,000 or less from a former employer plan through an IRA to a new employer plan without obtaining the affirmative consent of the participant.

Plan sponsors and recordkeepers should expect to hear from RCH about participating in their program now that legal guidance is in place.

Volume 42

Issue 71

August 8, 2019

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**Produced by the Knowledge Resource Center**

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