



DOL Delays Fee Disclosure Effective Dates

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The Department of Labor (DOL) has given service providers more time to comply with the fiduciary-level fee disclosure rules and plan sponsors more time to furnish the initial disclosures under the participant-level disclosure rules. Recent DOL regulations require enhanced retirement plan investment disclosure relating to (i) fees paid by plan service providers to plan sponsors (the "fiduciary fee disclosure rules") and (ii) the disclosure of such fees by plan sponsors to participants (the "participant disclosure rules").

The Fiduciary Fee Disclosure Rules: Final DOL regulations require plan service providers to provide information that will allow plan fiduciaries to understand the reasonableness of the fees being charged for plan services, and to assess potential conflicts of interest. The regulation was originally effective on July 16, 2011, but was then delayed to January 1, 2012. The DOL has once again extended the deadline. It is now effective **April 1, 2012**. This means that service providers have until April 1, 2012 to provide plan fee and expense information to plan fiduciaries.

The Participant Disclosure Rules: The DOL also has published final rules requiring the disclosure of plan fee and expense information by plan administrators to plan participants and beneficiaries. These rules include modifications to the disclosure requirements for participant-directed "404(c)" accounts. These rules will apply for the first plan year beginning on or after November 1, 2011. For calendar years plans, the deadline is January 1, 2012. However, a transitional rule provides a delayed effective date for the initial disclosures to participants. Plan sponsors must now furnish these initial disclosures no later than **May 31, 2012**, which is 60 days after the April 1, 2012, effective date for the fiduciary fee disclosure rules

The DOL also has clarified the dates for quarterly disclosures of plan fees and expenses to plan participants. Quarterly disclosure must be furnished no later than 45 days after the end of the quarter in which the initial disclosure is required to be furnished (so that the first quarterly disclosure is not due before the first initial disclosure). For a calendar year plan, this date is August 14, 2012.

Example of participant disclosure deadlines for calendar year plans.

- The participant disclosure rules are effective **January 1, 2012**.
- The initial disclosures to plan participants are due no later than **May 31, 2012**.
- The first quarterly disclosures to plan participants are due no later than **August 14, 2012**.

DOL rules. The full rule published July 15, 2011, which includes a history of the regulations and summary of the extensions, is available at

<http://www.dol.gov/ebsa/pdf/extensionofapplicabilitydatesfinalrule.pdf>.

For more information about this topic, please contact the author or any member of the Williams Mullen Employee Benefits & Executive Compensation Team.

Please note:

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