

May 26, 2009

TCRS 2009-05: Further Delay of the Effective Date and Applicability Date of Final Regulations Relating to Investment Advice

On May 22, 2009, the Employee Benefits Security Administration – Department of Labor (DOL) released a notice further extending the effective date and applicability date of the final regulations relating to the provision of investment advice under the Pension Protection Act of 2006 (PPA).

Background

On January 21, 2009, the DOL published final regulations relating to the provision of investment advice under PPA. The final regulations implement a statutory prohibited transaction exemption under ERISA sections 408(b)(14) and 408(g) and an administrative class exemption granting additional relief. As published, these regulations were to be effective for covered transactions occurring on or after March 23, 2009. On January 20, 2009, Rahm Emanuel, assistant to the President and Chief of Staff, issued a memorandum directing Agency Heads to consider extending for 60 days the effective date of any regulation that had been published but not yet taken effect, such as these final regulations on investment advice. In accordance with that directive, the DOL extended the effective date of the final regulations to May 22, 2009.

New DOL Extension

The DOL has determined that further extension is necessary in order to evaluate the comments received and to allow additional time for the DOL to consider the implications on legal and policy issues. The new extended date is November 18, 2009.