

Effective date extended for fee disclosure requirements

McAfee & Taft EmployerLINC Employee Benefits Update - February 3, 2012

On February 2, 2012, the U.S. Department of Labor (DOL) announced a three-month extension to the effective date of the new fee disclosure regulations related to ERISA-covered retirement plans. Prior to this extension, service providers were required to comply with the new disclosure requirements as of April 1, 2012, and plans were required to comply with new participant disclosure requirements by May 31, 2012. Under the extension, service providers now have until **July 1, 2012**, to be in compliance, and plans will have until **August 30, 2012**, to make the required disclosures to participants.

The new regulations require service providers to provide specific information to retirement plans to enable plan fiduciaries to determine the reasonableness of compensation paid to the service providers. Related regulations require plans which permit participants to their direct investments to provide specific information to those participants.

Additional change may exclude certain 403(b) plans for disclosure requirements

In addition to announcing the extension of the effective date described above, the DOL has modified the regulations to exclude certain 403(b) plans from the new disclosure requirements. Specifically, 403(b) annuity contracts and accounts are not subject to the new disclosure requirements if (i) they were issued to employees before January 1, 2009, (ii) the employer ceased making contributions, (iii) rights of individual owners of the contracts or accounts are enforceable against the insurer or custodian with employer involvement and (iv) such individual owners are fully vested.

If you should have questions or need assistance, please contact any member of the **McAfee & Taft Employee Benefits Group**. You can also find out more information about the fee disclosure requirements from the EmployerLINC webinar, "**Are You Ready For Fee Disclosure?**" (originally broadcasted February 1, 2012).

This update has been provided for information of clients and friends of McAfee & Taft. It does not provide legal advice, and it is not intended to create a lawyer-client relationship. Readers should not act upon the information in this newsletter without seeking professional counsel.



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