

## DOL Proposes Coordinated Effective Dates for ERISA Fee Disclosure Rules

On May 31, 2011, the Department of Labor issued a notice officially proposing to move the effective date of new fee disclosure rules for providers of services to retirement plans from July 16, 2011 to January 1, 2012 (previously discussed in our [Alert](#) of February 14, 2011). The notice also proposes to allow 120 days (rather than 60 days) after the applicability date for plan administrators to provide certain detailed fee disclosures to participants in participant-directed 401(k) and other plans, under related rules that are generally applicable for plan years beginning on or after November 1, 2011.

As outlined in our [Alert](#) of August 17, 2010, the new rules for service providers will require detailed disclosure of direct and indirect fees paid for services provided to retirement plans subject to ERISA. Once these rules take effect, a contract for services to an ERISA plan that does not satisfy the requirements would not be exempt from the prohibited transaction rules, possibly exposing plan fiduciaries to liability for violating ERISA and service providers to excise taxes and potential disgorgement of fees. As outlined in our [Alert](#) of October 20, 2010, the new rules relating to disclosure in 401(k) and other participant-directed plans provide for a fiduciary duty to furnish participants with certain information about fees and expenses charged to participant accounts.

The changes to delay and coordinate effective dates respond to various comments that the Department of Labor received. In its press release, the Department stated that as a result of these changes, “plan fiduciaries [will] have all required information from service providers before they must disclose information to their workers, ensuring that workers receive accurate information about their retirement plan and investment costs.”

For additional information about the new rules, please contact any member of Ropes & Gray’s [Benefits Practice Group](#).