

**MEMO# 10817**

March 19, 1999

## **DOL AMENDS CLASS EXEMPTIONS TO INCLUDE EDUCATION IRAS AND SIMPLE ACCOUNTS**

[10817] March 19, 1999 TO: PENSION COMMITTEE No. 18-99 RE: DOL AMENDS CLASS  
EXEMPTIONS TO INCLUDE EDUCATION IRAS AND SIMPLE ACCOUNTS

\_\_\_\_\_ The  
Department of Labor's Pension and Welfare Benefits Administration recently amended two prohibited transaction exemptions to permit free or low-cost brokerage or banking services to also apply to Education IRAs and SIMPLE accounts. Prohibited Transaction Exemption ("PTE") 97-11 allows brokerage firms to provide IRA and Keogh customers low or no-cost services, which otherwise would be prohibited under ERISA. PTE 93-33 provides similar relief to the banking industry. As a result of the amendments, effective January 1, 1998, broker-dealers and banks may provide customers with additional services as incentives for maintaining Education IRAs and SIMPLE accounts. Copies of the amendments are attached.  
Kathryn A. Ricard Assistant Counsel Attachments

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