

**MEMO# 7488**

December 15, 1995

## **DEPARTMENT OF LABOR INTERPRETIVE BULLETIN ON EDUCATION AND ADVICE**

\* See Institute Memorandum to Pension Members No. 42-95, dated October 18, 1995.  
December 15, 1995 TO: BOARD OF GOVERNORS No. 78-95 RE: DEPARTMENT OF LABOR  
INTERPRETIVE BULLETIN ON EDUCATION AND ADVICE

\_\_\_\_\_ As you may know, the Institute has been working closely with the Department of Labor to obtain guidance regarding the treatment under ERISA of an employer or service provider, such as a mutual fund company, that provides investment information to retirement plan participants. This issue is particularly significant to the fund industry because the provision of "investment advice" could cause a fund company to become a fiduciary subject to significant responsibilities and potential liability under ERISA, while the provision of "education" does not create fiduciary status. The Department has recently released for public comment the attached interpretive bulletin relating to participant education and investment advice. We are very pleased to report that the draft bulletin adopts the legal analysis urged by the Institute\* and takes an expansive approach to the definition of investment education. The bulletin describes four safe harbors for the following types of investment information: 1) plan information; 2) general financial and investment information; 3) asset allocation models; and 4) interactive investment materials. We will keep you informed of further developments. Paul Schott Stevens Senior Vice President General Counsel

---

**Source URL:** <https://icinew-stage.ici.org/memo-7488>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.