

MEMO# 10442

November 2, 1998

DOL PROPOSES EXPANDING PTE 93-33 AND 97-11 TO INCLUDE SIMPLE AND EDUCATION IRA ACCOUNTS

[10442] November 2, 1998 TO: PENSION COMMITTEE No. 74-98 RE: DOL PROPOSES
EXPANDING PTE 93-33 AND 97-11 TO INCLUDE SIMPLE AND EDUCATION IRA ACCOUNTS

The Department of Labor has proposed expanding the scope of two class exemptions, PTE 93-33 and PTE 97-11, to include SIMPLE and Education IRAs. These class exemptions allow IRAs and Keogh plans to obtain certain free or low-cost brokerage or banking services, which otherwise would be prohibited under the Employee Retirement Income Security Act (ERISA). Under the proposed exemptions, broker-dealers and banks could provide services as incentives for maintaining SIMPLE and Education IRAs. With respect to Roth IRAs, the Department expresses the view that they already are within the scope of the two class exemptions. The Department has determined not to provide similar relief to medical savings accounts (MSAs). If adopted, the proposed exemptions would be effective on January 1, 1999. Comments on the proposed exemptions may be submitted to the Department on or before December 7, 1998. Russell G. Galer Senior Counsel Attachments

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