

MEMO# 7466

December 8, 1995

DOL DRAFT INTERPRETIVE BULLETIN ON INVESTMENT EDUCATION AND ADVICE

1 See Institute Memorandum to Pension Members No. 42-95, dated October 18, 1995. VIA FAX December 8, 1995 TO: PENSION COMMITTEE No. 25-95 RE: DOL DRAFT INTERPRETIVE BULLETIN ON INVESTMENT EDUCATION AND ADVICE

The Department of Labor today issued an "exposure draft" of its Interpretive Bulletin relating to participant education and investment advice. The Institute is pleased, that as suggested in its October 13, 1995 letter to the Department,¹ the Bulletin is (1) based on section 3(21) of ERISA and the regulations thereunder and (2) follows a non-exclusive safe harbor approach. The draft Bulletin provides safe harbors covering four types of investment information and materials: plan information, general financial and investment information, asset allocation models and interactive investment materials. These safe harbors are based on the type of information, irrespective of the form in which provided (on an individual or group basis; in writing or orally; via video or computer software) and irrespective of whether furnished alone or in combination with other types of information identified in a different safe harbor. The Department has issued this draft to provide the public with an opportunity to comment as to whether the Bulletin would encourage the provision of educational materials to plan participants and beneficiaries in participant-directed plans. There may therefore be an opportunity to provide additional comments to the Department before the Bulletin is formally published. Therefore, please review this draft and contact the undersigned at 202-326-5835 as soon as possible with any issues or concerns you might have. We will keep you informed of further developments. Russell G. Galer Assistant Counsel - Pension

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