

**MEMO# 14816**

June 20, 2002

## **DOL PROPOSES AMENDMENT TO PTE 97-11 TO PERMIT CONSIDERATION OF INDIVIDUAL RETIREMENT ANNUITIES FOR REDUCED OR NO COST SERVICES**

[14816] June 20, 2002 TO: PENSION COMMITTEE No. 22-02 RE: DOL PROPOSES AMENDMENT TO PTE 97-11 TO PERMIT CONSIDERATION OF INDIVIDUAL RETIREMENT ANNUITIES FOR REDUCED OR NO COST SERVICES The Department of Labor has proposed expanding the scope of Prohibited Transaction Exemption 97-11, a class exemption that allows IRA and Keogh owners to receive services at reduced or no cost from a broker-dealer pursuant to an arrangement in which the account value of, or the fees incurred for services provided to, the IRA or Keogh are taken into account for purposes of determining eligibility to receive such services. Under the proposed exemption, the term "IRA" would be defined to include "an individual retirement annuity described in Code section 408(b)." If adopted, the proposed amendment would be effective as of January 1, 1998. Comments on the proposed amendment may be submitted to the Department on or before August 2, 2002. Kathy D. Ireland Associate Counsel Attachment Attachment (in .pdf format)

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