

MEMO# 2358

December 4, 1990

ERISA ENFORCEMENT PACKAGE

December 4, 1990 TO: PENSION COMMITTEE NO. 28-90 RE: ERISA ENFORCEMENT PACKAGE

As we previously informed you, the Department of Labor is proposing to amend certain provisions of ERISA in order to strengthen the regulatory scheme. (See Institute Memorandum to Pension Committee No. 12-90, dated May 8, 1990.) Attached is a copy of the Department's proposed Employee Retirement Income Security Act Amendments of 1990 which was recently printed by the U.S. House of Representatives Document Room. Section 3 of the bill would repeal the limited scope audit exemption contained in Section 103(a)(3)(C) of ERISA as of January 1, 1992. However, the bill does not appear to contain a substitute as contemplated by the initial proposal earlier this year which would permit use of a "single audit approach." With regard to proxy voting, section 5 of the bill would require the fiduciary with proxy voting responsibility to maintain a written policy governing the voting of any securities which he manages and provide a copy of such policy to the plan administrator. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachment

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