

Publications

DOL Guidance Interpreting PPA “Investment Advice” Provisions – Answered Questions, New Opportunities and Outstanding Issues

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SERVICES

In response to multiple questions about the “investment advice” exemption (Exemption) of the Pension Protection Act of 2006 (PPA), the Department of Labor (Department) has just released Field Assistance Bulletin 2007-01 (FAB) (Feb. 2, 2007), addressing issues of significant importance to financial institutions servicing employee benefit plans and individual retirement accounts (IRAs). The FAB resolves some of the uncertainties created by the PPA and creates a new option for service providers that wish to provide investment advice without fee offsets or reliance on computer models.

The attached memorandum outlines-

- Pre-PPA common industry approaches to structuring investment advice programs, based on the Department’s advisory opinions and other guidance.
- The scope, requirements and the issues created by the Exemption.
- Issues resolved by the FAB.
- Opportunities created by the FAB.
- Unresolved issues.

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