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# DOL Issues Final Default Regulations: Many Questions Answered, Many Questions Remain


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The Department of Labor's (DOL's) anxiously awaited final "Qualified Default Investment Alternative" (QDIA) regulations were released on October 24 and become effective on December 24, 2007. 72 Fed. Reg. 60452. The regulations implement provisions of the Pension Protection Act of 2006 (PPA) and will affect the ability of plan sponsors to invest "undirected" participant accounts in a variety of circumstances, including through automatic enrollment arrangements.

Scores of questions have been asked by our clients since the regulations were announced covering a variety of issues on how to apply the regulations to specific products and how to achieve relief in connection with default investment programs. In response, we have had a number of conversations with DOL staff who have advised us that the DOL intends to issue a list of Q&As in the near term that will provide further guidance in this area. This gives the benefits community a brief window of opportunity to work with the DOL to resolve some of the uncertainties created by the regulation.

The attached article sets forth a discussion of the PPA's provisions related to default investments, the basic framework of DOL's regulation, and a discussion of some of the more significant regulatory provisions and the problems identified by our clients.

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