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Publications

New Rules for Black-out Periods Under Sarbanes-Oxley Act

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The Sarbanes-Oxley Act contains new requirements that apply to so-called black-out periods in participant-directed retirement plans. Black-out periods occur when the ability of plan participants to take certain actions is temporarily suspended. Sarbanes-Oxley requires that participants receive advance written notice of certain black-out periods, and restricts the ability of insiders to trade in employer securities during certain black-out periods. These provisions became effective on January 26, 2003 and the Department of Labor (DOL) and the Securities and Exchange Commission (SEC) have issued final rules implementing the new requirements. Substantial penalties may be imposed for non-compliance with the black-out notice requirement or the insider trading prohibition under Sarbanes-Oxley.

New Rules 164KBDownload