DOL Clarifies Safe Harbor for Selection of Annuity Providers for Defined Contribution Plans

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A regulation issued by the DOL in 2008 regarding the selection of annuity providers under defined contribution plans provided plan fiduciaries with safe harbor conditions for the selection and monitoring of annuity providers and annuity contracts for benefit distributions. The DOL recently issued Field Assistance Bulletin 2015-2 (the ?ÃÂ£***FAB***?ÃÂ¥) to help provide guidance and clarify the scope of fiduciary obligations with respect to annuity selections under such safe harbor. The FAB clarifies that the fiduciary?ÃÃs selection and monitoring of an annuity provider is judged based on the information available at the time of selection and at each periodic review, and not in light of subsequent events. With respect to the periodic review, the FAB provides that the regularity of such review is based on the facts and circumstances and provides examples. The FAB also makes it clear that a fiduciary?ÃÃs obligation to monitor an annuity provider ends when the fiduciary replaces the annuity provider with a new annuity provider. Lastly, the FAB provides guidance with respect to the statute of limitations that applies for imprudent selection of annuity providers. The FAB can be found **here**.