

DOL Finalizes Amendment to INHAM Prohibited Transaction Exemption

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The Department of Labor (DOL) recently finalized an amendment to Prohibited Transaction Exemption 96-23. PTE 96-23 permits certain transactions by an employee benefit plan that would otherwise be prohibited by ERISA, where the plan's assets are managed by an in-house asset manager (INHAM) and other conditions are satisfied. The amendment makes several changes to the existing exemption, including: expanding the definition of INHAM to include a subsidiary that is 80 percent or more owned by the employer or a parent; permitting transactions with a "co-joint venturer" under certain circumstances; and extending the exemption to cover certain existing commercial real estate leases. The amendment also increases the exemption's "related person" test threshold from 5 percent ownership to 10 percent, and increases from \$50 million to \$85 million the amount of assets that must be managed to qualify as an INHAM. The amendment can be found [here](#).