

# EBSA News



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## **Labor Department Proposes Class Exemption For Trust REITS**

**WASHINGTON, D.C.**-The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) has proposed a class exemption to create a level playing field between corporate real estate investment trusts (REITs) and trust REITs.

Under ERISA, an individual account plan maintained by a corporate REIT can invest up to 100% of its assets in the stock issued by the REIT, if permitted under the provisions of the plan. Shares issued by a trust REIT, however, are not stock and the existing ERISA provisions do not allow trust REITS to offer employer securities as an investment option.

If granted, the class exemption would provide retroactive and prospective relief for plans sponsored by a trust REIT to invest in securities issued by the REIT. Among the conditions contained in the class exemption are requirements that the trust REIT securities be purchased or contributed at the prevailing or current market price and that plan participants receive current financial information about the REIT.

The proposed exemption is scheduled for publication in the June 3, 2003 *Federal Register*. Comments on the proposal should be submitted in writing by Aug. 4, 2003 to the Employee Benefits Security Administration, Room N-5649, 200 Constitution Ave., N.W., Washington, D.C. 20210, Attention: REIT Class Exemption Proposal or by email to [moffitt.betty@dol.gov](mailto:moffitt.betty@dol.gov).

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