

EBSA News



U.S. Department of Labor
Employee Benefits Security Administration
Washington, D.C.
Release No.: 03-15

For Immediate Release
April 15, 2003
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Employee Benefits Security Administration Releases Field Assistance Bulletin on “Participant Loan” Rules

WASHINGTON--The U. S. Department of Labor’s Employee Benefits Security Administration today released Field Assistance Bulletin (FAB) 2003-1, concluding that restrictions on pension plan loans to officers and directors of the plan sponsor do not violate the participant loan rules under the Employee Retirement Income Security Act (ERISA).

Under ERISA, participant loans offered by pension plans must be available to all participants and beneficiaries on a reasonably equivalent basis. Given the uncertainty as to whether loans to officers and directors of a plan sponsor are permissible under the Securities Exchange Act of 1934 as amended by the Sarbanes-Oxley Act of 2002, the department concluded that restricting loans to such individuals would not violate the requirement that loans be made available to all participants and beneficiaries on a reasonably equivalent basis.

The FAB is part of the department’s ongoing compliance assistance program to help employers, plan officials, service providers and others comply with ERISA. Field Assistance Bulletins are available on the Internet at www.dol.gov/ebsa.

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