

Target Date Retirement Fund Guidance Issued

The DOL's Employee Benefits Security Administration (EBSA) and the U.S. Securities and Exchange Commission (SEC) issued guidance on May 6, 2010 on Target Date Retirement Funds. The objective of the guidance is to help investors and plan participants better understand the operations and risks of target date fund investments. The guidance describes some basic features of target date funds, including the investment mix of such funds, the risks associated with the investments, how target date funds operate, and ways to evaluate a target date retirement fund that will help increase awareness of both the value and risks associated with these types of investments.

The guidance advises participants to take appropriate steps before investing in target date funds. Participants should consider their investment style, look at the fund's prospectus to see where money will be invested, understand how the investments will change over time, take into account when the funds may be accessed, and examine the fees of the fund. The guidance is provided as general information as courtesy from the EBSA and SEC. There is currently no requirement that this guidance is distributed to participants in an employer sponsored plan.

[Click here to view the press release.](#)

[Click here to view guidance from the DOL.](#)

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