



SAFE HARBOR RULE – EMPLOYEE CONTRIBUTIONS TO SMALL PENSION & WELFARE PLANS

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On January 14, 2010, the U.S. Department of Labor published a final rule to protect employee contributions deposited into small retirement or welfare plans (those with fewer than 100 participants). Effective January 14, the rule requires all employee contributions and plan loan repayments be made no later than the seventh (7th) business day following receipt or withholding by the employer. This is a

change from the former safe harbor requirement of repayments made no later than the fifteenth (15th) business day of the following the month the contributions were withheld or received by the employer. Employers with these small plans should ensure that their payroll department (whether internal or external) is aware of this change.