

## PROPOSAL ALLOWS CONVERSION OF PLAN INVESTMENTS TO MUTUAL FUNDS

### From U.S. Dept. of Labor

■ (WASHINGTON) Employee benefit plans could save millions of dollars in brokerage fees under a U.S. Labor Department proposal that would allow the transfer of benefit funds from bank investments to bank-affiliated no-load mutual funds, a transaction currently prohibited except through exemption from the Employee Retirement Income Security Act (ERISA).

The proposal for an exemption from ERISA is now up for public comment and was carried in last Wednesday's Federal Register. It was prompted by a request from Federated Investors, a mutual fund sponsor. If the exemption is adopted, Federated contends employee benefit plans will save fees normally incurred when plan assets are converted from collective investment funds to mutual funds. Many banks have been switching from collective to mutual funds.

The department's proposed exemption

would allow federal or state banks to convert collective funds into mutual funds if:

- ✓ the bank discloses information about the mutual fund and the conversion process, including why the exchange of investments is appropriate for the plan;

- ✓ an independent plan fiduciary gives the bank advance written authorization for each transfer of CIF assets in exchange for shares of a mutual fund;

- ✓ plan clients pay no commissions or other fees in connection with the purchase of mutual fund shares;

- ✓ written confirmation is provided to the independent plan fiduciary within 105 days of the transactions;

- ✓ within 30 days information is furnished which discloses the identity of each security not listed on a national exchange or NASDAQ and the identity of the pricing service or market-maker contacted to determine the value of such securities;

- ✓ combined total fees received by a bank from a client plan for services received cannot exceed reasonable compensation;

- ✓ the value of mutual fund shares received by a plan equals the current market value of its pro-rata share of assets in the CIF on the date of the exchange; and

- ✓ the independent plan fiduciary receives ongoing disclosure of information such as an updated prospectus and a report or statement of fees paid to the bank.

The proposed exemption is in the Nov. 13 Federal Register or via the Internet at <http://www.dol.gov/dol/pwba> after Nov 20. Public comments or requests for a hearing should be submitted in writing to the Office of Exemption Determinations, Pension and Welfare Benefits Administration, Room N-5649, 200 Constitution Avenue N.W., Washington, DC 20210, (Attention: "CIF Conversion Class Exemption").

## OSHA, OTHERS COMMENDED

### FOR DEVELOPING EMERGENCY RESPONSE PLAN

#### From U.S. Dept. of Labor

■ (WASHINGTON) A plan that improves responses to oil spills and hazardous chemical releases received special recognition from the Clinton Administration.

Vice President Gore's prestigious Hammer Award was presented to representatives of the Occupational Safety and Health Administration (OSHA) and other federal and state agencies and private organizations on Monday in ceremonies at the Dow Chemical Co. facility in Freeport, Texas. Mary Mozingo, a representative of the National Performance Review, which supervises reinvention efforts for the Vice President, presented the award for development of the Integrated Contingency Plan.

The plan is a guide for reacting to spills and releases under existing federal laws and regulations. It was developed under the auspices of the National Response Team (NRT), a federal inter-agency group with responsibility for establishing national policies and procedures to prepare and respond to emergencies involving oil and hazardous chemicals. The integrated plan is designed to consolidate various agency response requirements, improve coordination, avoid duplication, and simplify response planning.

Assistant Secretary of Labor for Occupational Safety and Health Joseph A. Dear, said, "The new plan makes it easier for busi-

nesses and government agencies to do what is necessary to deal with emergencies involving oil spills and the release of hazardous chemicals. Implementation of this plan will save lives. It is another example of how federal reinvention efforts benefit the public."

The Hammer Award recognizes excellence in reinventing government. Vice President Gore established the award as part of the National Performance Review — the national program to make government work better and cost less. This is the eighth Hammer Award OSHA has received for its reinvention programs since June 1994.

In addition to OSHA personnel, staff members from the Environmental Protection Agency, the U.S. Coast Guard, the Department of Interior, the Department of Transportation, General Services Administration, the Department of Energy, the Department of Defense, the Department of Agriculture, the Federal Emergency Management Association, the Department of Health and Human Services, and the State of Texas received Hammer Awards for their participation in developing the plan.

Hammer Awards also were presented to representatives of Dow Chemical, Phillips Petroleum Co., International Bird Rescue, Phillip Cartner Co., Inc., the Inner City Fund, and Ecology and Environment, the private sector organizations that assisted in the plan.

## EDUCATION INITIATIVES

### From U.S. Dept. of Education

■ (WASHINGTON) A weekly look at progress on the U.S. Department of Education Secretary Richard Riley's priorities as of November 14, 1996

#### Goals 2000

Utah is using Goals 2000 funds to support 32 projects this school year, including a Professional Inquiry Center serving secondary schools in 5 school districts. Under this project, spearheaded by the Alpine School District, teams of teacher leaders will present demonstration lessons to other teachers & conduct inservice on how to infuse technology into teaching & learning. The district is also developing a training model for "technical support teachers," a method for assessing teacher technology skills, & technology "skill blocks" for staff development. Under another project, the school districts of Murray, Jordan, Granite, & Salt Lake are each implementing as many as 10 projects to help previously uninvolved parents play important roles in their children's education. For information on Utah's previous Goals 2000 grants, please see: [www.usoe.k12.ut.us/pubs/goalprof.html](http://www.usoe.k12.ut.us/pubs/goalprof.html)

#### School-to-Work

The School-to-Work National Employer Leadership Council (NELC) recently posted on its web site a tool employers can use to support activities that connect students & teachers to the workplace & enhance com-

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