

US Department of Labor Updates Interpretive Bulletin on Independence Requirement for Accountants Auditing Employee Benefit Plans

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U.S. Department of Labor

Update expands plans' access to highly qualified auditors, audit firms

WASHINGTON – The U.S. Department of Labor's [Employee Benefits Security Administration](#) September 2nd announced [the release of Interpretive Bulletin 2022-01](#) updating its guidance on the “independence” requirement for accountants who audit employee benefit plans under section 103(a)(3)(A) of the Employee Retirement Income Security Act.

The department issued an Interpretive Bulletin in 1975 that set forth guidelines for determining when a qualified public accountant is independent for purposes of auditing and rendering an opinion on the financial statements required in the plan's annual report, known as the Form 5500 Annual Return/Report of Employee Benefit Plan. The IB released today revises and restates that 1975 IB to remove certain outdated and unnecessarily restrictive provisions and to reorganize other provisions for clarity.

“Our goal in updating the Interpretive Bulletin is to make sure the Department of Labor's interpretations in this area continue to foster proper auditor independence while also removing outdated and unnecessary barriers to plans accessing highly qualified auditors and audit firms,” said Acting Assistant Secretary of Labor for Employee Benefits Security Ali Khawar.

Under ERISA, plan administrators, subject to certain exceptions, are required to retain on behalf of all plan participants an “independent qualified public accountant” to conduct an annual examination of the plan's financial statements in accordance with generally accepted auditing standards. The accountant also must render an opinion as to whether the financial statements are presented fairly in conformity with generally accepted accounting principles and whether the schedules required to be included in the plan's annual report present fairly and in all material respects the information contained therein when considered in conjunction with the financial statements taken as a whole.

See *Original Agency* Employee Benefits Security Administration Date September 2, 2022 [Release Number22-1783-NAT](#)

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