The Labor Department today proposed a rule aimed at providing 401(k) plan participants more details about target date funds used in retirement plans.

The proposed rule, which will be posted in the Federal Register on Tuesday, calls for 401(k) service providers to disclose to participants in their marketing materials three key details concerning target date funds and other investments that use age or target-based asset allocations.

First, participants would have to receive an explanation of the fund’s asset allocation, including how that allocation would change over time, and an illustrative chart.

The new rule also would require that 401(k) providers explain the age group for whom the investment were designed, the relevance of that date and any assumptions of their contribution and withdrawal intentions on or after the target date.

Finally, the proposed rule asks that providers include a statement in their marketing materials explaining that 401(k) participants may lose money by investing in a target date fund.

The rule also would amend the “qualified default investment alternative regulation” to include more information on QDIAs, including: the name of the investment’s issuer; the goals of the investment, as well as its principal strategies and risks; assets held by the investment, including historical performance data and — if applicable — any fixed return, annuity guarantee or death benefit.

Information on the investment’s fees, including sales loads, deferred sales charges and redemption fees, as well as mortality and expense charges and expense ratios, would also have to be included.

“This is a step in the right direction,” said Marcia Wagner, an attorney at The Wagner Law Group. “People have to know these aren’t plug-and-play. I’m happy the DOL is doing this and with some modicum of coordination with the SEC.”

The DOL’s proposed rule arrives nearly six months after the Securities and Exchange Commission proposed disclosure rules on target date funds which would require that marketing materials reveal how investments were allocated among stocks, bonds and cash.

The Labor Department has opened a 30-day comment period, seeking input on its proposed regulation.