

DOL Finalizes Delay of Fiduciary Rule

Articles April 6, 2017

The DOL has finalized regulations extending the applicability date from April 10 to June 9, 2017, for the new “Fiduciary Rule,” which defines who is a fiduciary under ERISA and the tax code. The new regulations will be published in the Federal Register on April 7, 2017.

The final regulations also extend to June 9 the applicability dates for the Best Interest Contract Exemption (“BICE”) and the class exemption for principal transactions in certain assets between investment advice fiduciaries and employee benefit plans and IRA’s. Many of the requirements and changes with respect to exemptions will not be imposed until January 1, 2018, when full compliance is required. Between June 9, 2017, and January 1, 2018, fiduciaries relying on these two specified exemptions for covered transactions must follow only the Impartial Conduct Standards, which require that fiduciaries: (1) provide advice in the retirement investor’s best interest; (2) charge no more than reasonable compensation; and (3) avoid misleading statements.

Fiduciaries should not halt their compliance efforts but should take the additional time to ensure that they understand the Fiduciary Rule and its implications and are prepared to make any adjustments that are imposed by any new regulations that result from DOL’s review of the Fiduciary Rule under the President’s mandate.

If you have questions about the new Fiduciary Rule, please contact William Ries or 412.594.5646, Nora Gieg Chatha or 412.594.3940, or Carolyn Whitworth or 412.594.3923.