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## **DOL fiduciary rule presents improvements, concerns**

WASHINGTON, D.C. – “The final regulations redefining ‘fiduciary’ include a number of improvements, but leave employers concerned about their ability to engage employees in their benefit programs,” Council president James A. Klein said.

The long-awaited regulatory package, released today by the U.S. Department of Labor (including a series of proposed prohibited transaction exemptions) broadly expands the definition of “investment advice” by extending fiduciary status to a wider array of advice relationships than is done by the existing rules.

“The final rule includes a number of revisions we requested that employers will appreciate, such as grandfathering past advice and recognizing that valuations are not fiduciary acts. We also are pleased that, as we recommended, the definition is not applicable to health and welfare plans where assets are not held in trust, although some details of this exemption are left unclear,” Klein said.

“While the Council is reviewing the new rules with our members, we continue to be concerned about the potential chilling effect of the new standards on employee engagement if employers are not able to continue working effectively with employees to strengthen their use of retirement programs and improve their overall financial well-being. It is critical that employers be able to provide routine and helpful guidance through personal interaction of employees with both corporate human resources staff and outside service providers,” Klein said.

“The bifurcated effective date of April 2017 and January 2018 is a helpful step. But given the number of open issues and need for further refinements we remain concerned that this will not be sufficient to implement the rules because so many operational processes, materials and agreements are affected,” Klein said.

“As always, we look forward to working with policymakers in Congress and the administration to improve the employer-sponsored retirement system, to maximize Americans’ financial security,” Klein concluded.

For more information on the DOL fiduciary project, or to arrange an interview with Klein or Lynn Dudley, senior vice president, global retirement and compensation policy, contact Jason Hammersla, Council senior director of communications, at [jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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*The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council’s members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.*