

News Release



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U.S. Department of Labor and Securities and Exchange Commission Issue Guidance Addressing Potential Conflicts of Interest of Pension Consultants

WASHINGTON – The U.S. Department of Labor and the Securities and Exchange Commission (SEC) today published tips to assist fiduciaries of employee benefit plans in reviewing conflicts of interest of pension consultants.

“The tips we are releasing today will help plan fiduciaries evaluate the objectivity of advice and recommendations furnished by their pension consultants,” said Ann L. Combs, assistant secretary of labor for the Employee Benefits Security Administration.

”Fiduciaries must be provided the information necessary to ensure that advice is objective and not influenced by revenue sharing and other arrangements pension consultants may have with other service providers.”

The guidance, “Selecting and Monitoring Pension Consultants – Tips for Plan Fiduciaries,” addresses questions raised by an SEC staff report on potential conflict of interest disclosures by pension consultants. The report by the SEC Office of Compliance Inspections and Examinations indicates that those potential conflicts of interest may affect the objectivity of the advice they are providing to their pension plan clients.

"These questions should help plan trustees navigate among the many choices in pension consultants and make informed choices that are beneficial to plan participants," said Susan F. Wyderko, Director of the SEC Office of Investor Education and Assistance.

The tips provide relevant questions plans fiduciaries should ask to encourage better disclosure and information relating to potential areas of conflicts of interest by pension consultants. The tips are available on the websites of the EBSA at www.dol.gov/ebsa or the SEC at www.sec.gov/investor.shtml.

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