



July 21, 2015

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Conflict of Interest Rule, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

[Filed electronically to e-ORI@dol.gov](mailto:e-ORI@dol.gov)

Re: RIN 1210-AB32

The Colorado Public Employees' Retirement Association ("Colorado PERA") appreciates the opportunity to provide written comments regarding the proposed rule entitled "Definition of the Term, 'Fiduciary'; Conflict of Interest Rule – Retirement Investment Advice" (RIN: 1210-AB32) published in the Federal Register on April 20, 2015.

By way of background, Colorado PERA administers a governmental defined benefit plan and governmental 401(k) and 457 plans. Over half a million members and retirees have defined benefit accounts and there are 71,000 participant accounts in the 401(k) and 457 plans. While Colorado PERA is not governed by the ERISA laws and related Department of Labor regulations, we want to express our support for rules that raise the bar for investment advice to help individual investors achieve retirement security.

Colorado PERA account holders have the choice to either leave their accounts with Colorado PERA, an investment overseen by fiduciaries, and retire with a monthly benefit or take a lump-sum distribution of their account plus a match and invest it elsewhere. This is one of the biggest financial decisions a Colorado PERA member will make in their lifetime. We have received regular reports from members who have many years of service credit that get advice from financial advisers to give up the security of the monthly benefit and move the lump sum to an alternative investment vehicle. While that advice may be consistent with today's suitability standard, it should be subject to a fiduciary standard for the adviser. The proposed rule would require the adviser to act as a fiduciary when recommending the alternative vehicle and target investments for the funds. The adviser, acting as a fiduciary in that part of the transaction, would likely act as a fiduciary as to the whole transaction, including the decision to pull funds from Colorado PERA. The same fiduciary standards would apply to advisers to our 401(k) and 457 plan participants. We believe our participants will make better choices and increase their chances for a secure retirement if their adviser is a fiduciary.

Colorado PERA manages \$48 billion dollars on behalf of its membership and supports improvements to our capital markets. By requiring fiduciary advice, either to individual investors or institutional investors, we believe this will enhance our capital markets and benefit investors.

RIN 1210-AB32

July 21, 2015

Page 2

Colorado PERA acts as a fiduciary for its membership and knows the importance of our advisers' loyalty and care when recommending investments for our large plans. Individuals, such as our members and participants, should get the same quality of advice when investing their own money in the capital markets. Therefore, we urge the Department to adopt the proposed rules that require a fiduciary level of advice by investment advisers.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory W. Smith". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gregory W. Smith
Executive Director