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Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

I am concerned about this proposed rule because I believe that access to relevant, honest, and fair information about retirement is a right for those who have retirement accounts, and that the financial institutions should have a high fiduciary duty to protect the interests of the individuals.

For most people contributing to retirement accounts through work, such as 401(k)s and other means of retirement savings, the cost of hiring a private financial advisor is too high, especially when someone is just starting a retirement account. People just starting to save are also the least informed, the most impressionable, and the easiest to lead astray. It is imperative that people in these situations have access to sound advice they can trust because there are legal protections--fiduciary duties--in place that both 1) encourage people to save, and 2) make them feel safer in making the leap to invest for the first time.

Investing in retirement is a necessity, and conservative/Republicans often promote self-sufficiency and building a savings. To encourage this manner of living and

approach to retirement, it's imperative that people be given the tools to succeed. What people don't need is a salesman looking to bank commissions. Likewise, liberals/Democrats focus on protecting the individual to ensure power dynamics do not influence decision making. I believe having a high fiduciary duty between company/employee retirement advisors and individual investors is a win-win for both liberals and conservatives.

I believe that not maintaining a high fiduciary duty between investment companies and individual investors will disproportionately affect the low to middle income households who can't afford (or don't have the knowledge or understanding) to hire an independent consultant/advisor. While more financially literate, legally savvy, wealthier people may be able to (and know to) afford independent advisors, the majority of workers/individuals who are not in these categories (who are low/moderate income and have less financial literacy) may not even understand that their company's financial advisor doesn't have their best interests in mind, and that they legally don't have to have the individual's best interest in mind.

The goal of retirement accounts should be to encourage people to save for retirement, and one way to do this is to let people know that the laws and government support and protect those individuals who desire to save for retirement. The goal should also be to have each individual do as well as possible so that they CAN retire independently. The goal of retirement funds should NOT be to increase commissions, build a larger invest-firm apparatus, or diminish individuals' retirement accounts while increasing commissions and revenue for financial advisors/financial investment firms. The goal is individual financial independence in retirement; and, that should remain the goal. Put another way, the focus must be on the individual investor and their retirement.

One question I would ask is this: whose money is being invested? It is the individual's money (or a company match which is vested to the individual). Therefore, it makes perfect sense that a financial advisor's fiduciary duty would lie with that individual. This follows a similar logic to accounts' and lawyers' fiduciary duty to clients (the fiduciary duty does not lie between the person who hires the attorney even if that person is different from the client, and it does not lie between the person who pays the attorney even if that person is different from the client).