

PUBLIC SUBMISSION

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Definition of an Investment Advice Fiduciary

Comment On: EBSA-2023-0014-0001
Retirement Security Rule: Definition of an Investment Advice Fiduciary

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Submitter Information

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General Comment

I am a financial professional who operates independently, offering a range of financial planning services to assist everyday Americans in securing their financial future. As a proud member of the Financial Services Institute, I am reaching out to express my reservations regarding the Department of Labor's (DOL) recently proposed Retirement Security Rule.

In my experience, fostering a relationship with a reliable financial advisor plays a pivotal role in encouraging individuals to save more effectively for their retirement. I take pride in providing my clients with comprehensive financial advice, and as an independent advisor, I am able to recommend products that align with their best interests. Currently, my clients have the flexibility to choose how they compensate me for my financial guidance.

Contrary to being labeled as "junk fees," commissions serve as a vital means for advisors to assist individuals who might not otherwise afford the services due to lower investable assets. If the Proposed Rule is implemented, it will restrict access to affordable financial advice, products, and services, negatively impacting retirement savers and their ability to achieve a dignified retirement. This restriction, in particular, will significantly affect those with annual earnings below \$100,000.

It's worth noting that a similar rule was proposed in 2016, resulting in over 10 million smaller retirement account owners being unable to afford the services of their financial advisors. The 2016 Rule was eventually invalidated by a Federal Court, and

subsequent actions by the Securities Exchange Commission (SEC) and state regulators introduced their own best interest standards. Considering the SEC's Regulation Best Interest, the widespread adoption of the NAIC model regulation by over forty states, and the existing DOL's PTE 2020-02, which mandates compliance with established conduct standards, the current proposed Retirement Security Rule appears redundant.

In light of these regulatory frameworks and industry developments, I strongly urge the Department of Labor to reconsider and withdraw the proposed rulemaking. Doing so would demonstrate a commitment to supporting Main Street investors, assisting small business owners, and preserving our community's access to essential financial advice. This would ensure that individuals across various income levels continue to receive the guidance needed to plan effectively for their retirement.