

DOL FIDUCIARY RULE DELAY

On April 4, 2017, the Department of Labor (DOL) announced that it was extending the applicability date of the final Fiduciary Rule by 60 days. The effective date was scheduled for April 10, 2017, but has now been extended to June 9, 2017. The DOL concluded that a delay was necessary in order to conduct a “careful and thoughtful process” in response to President Trump’s February 3 executive order. This executive order called for a full review of the rule. As it currently stands, the rule seeks to expand the fiduciary roles of providers while also focusing on the “best interest” of the participants.

While June 9 has been set as the new effective date, there may be additional delays. Opponents of the rule, many wanting the entire rule thrown out, are already asking for more time in order to get answers for the issues raised in President Trump’s executive order.

Regardless of the outcome, plan sponsors need to review their current providers’ roles and services and follow the 3 D’s of Document, Document, Document. Despite the outcome of the Fiduciary Rule, the need to evaluate service models (including fees) and understand the roles of those involved remains top of mind for plan providers. Highland will continue to monitor the implementation of the Rule and keep you updated as more specifics become available regarding the final effective date.

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