

Employee Benefits and Compensation

April 2017

DOL Issues Final Rule Delaying Fiduciary Rule until June 9, 2017

As ordered by President Trump in a presidential memorandum on February 3, 2017, (Memorandum), the U.S. Department of Labor (DOL) proposed a 60-day delay to its [conflict of interest](#) rule (commonly referred to as the “fiduciary rule”). The fiduciary rule, which revised the definition of “fiduciary” for retirement investment advice purposes, was set to become [effective](#) on April 10, 2017. The proposed delay received more than 1,000 comments from those who would potentially be affected by the fiduciary rule. Those in support of the delay cited confusion among the financial services industry and feared the fiduciary rule would be further revised after becoming effective, adding to that confusion. Those opposed to the delay alluded to the fact that retirement investors would continue to receive conflicting advice, and as a result, investors would select higher-priced products and services. On April 4, 2017, just days before the fiduciary rule was slated to take effect, the DOL issued a final rule to delay its effective date to June 9, 2017. In keeping with the orders of the Memorandum, this extension will allow the DOL to further evaluate the rule.

It is likely a series of delays will follow, as the DOL will have additional comments to consider as a result of its request for comments on the Memorandum until April 16, 2017. Despite further delays, most in the financial services industry may be inclined to begin complying with the provisions of the rule regardless of its pending status. Significant resources have been expended in an effort to comply with the fiduciary rule, and individuals in the retirement plan market have presumably become further educated on the [applicable standards](#) to the professionals serving them. As the President’s administration continues to assess the rule, it is possible that it could leave the rule in place, make minimal changes, revise it, or completely rescind the rule, with a total revision likely to be the most difficult.

Robinson+Cole’s [Employee Benefits and Compensation Group](#) is available to assist clients in reviewing their fiduciary responsibilities with respect to employer-sponsored retirement plans. If you have any questions about the fiduciary rule or the Memorandum in general, please contact any of the following lawyers:

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