ERIC The ERISA Industry Committee
Driven By and For Large Employers
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Will Hansen, Senior Vice President of Retirement Policy

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Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210
Attn: Fiduciary Rule Examination

RE: Extension of Applicability Date for Definition of the Term "Fiduciary;" Conflict of Interest Rule – Retirement Investment Advice (RIN 1210-AB79)

Ladies and Gentlemen:

The ERISA Industry Committee (ERIC) is pleased to respond to the request by the Department of Labor ("DOL") for comments regarding the extension of applicability date of the final rule, entitled Definition of the Term "Fiduciary," Conflict of Interest Rule – Retirement Investment Advice (the "proposed rule"). We support, at a minimum, a 60-day delay of the conflict of interest rule.

ERIC's Interest in the Extension of the Applicability Date

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members provide comprehensive retirement benefits to tens of millions of active and retired workers and their families. ERIC has a strong interest in proposals, such as the proposed rule, that would affect its members' ability to provide a consistent and predictable experience for those that participate in retirement plans.

Employers who sponsor a retirement plan pride themselves on providing a quality retirement plan that incorporates participant education on proper planning for retirement. Unfortunately, the uncertainty on the state of the DOL conflict of interest rule has caused some plan sponsors to be left in the dark on the services that the plan sponsor and participants may receive from service providers upon final implementation of the rule.

General Comments

As the implementation date approached and prior to the issuance of this proposed rule, many plan sponsors had yet to receive official documentation from their retirement plan service provider on expected changes in services that the service provider would provide to the plan sponsor and plan participants. As an example, basic information on whether the service provider would continue to provide recommendations or general education on plan rollovers to participants upon implementation of the rule remained as an unanswered question for numerous plan sponsors. A decrease or change in services from the service provider would require the plan sponsor to weigh options on whether and how to fulfill those services from a different source, which can take considerable time.

Not only is the plan sponsor harmed by the uncertainty on the state of the rule, but also the participants who may see a sudden decrease in important services if the plan sponsor is not provided adequate time to replace those services. With the implementation date less than 30 days from the date of this letter and some plan sponsors at a loss on how their retirement plan could be impacted, we support the proposed rule to delay the implementation date. If the conflict of interest rule is ultimately implemented (on a delayed basis), we strongly encourage the DOL to provide a new implementation date that allows for adequate time for service providers to notify plan sponsors of changes in services as well as adequate time for plan sponsors to implement any changes in retirement plan services.

We can all agree that it is important to maintain the strength of the voluntary retirement system in America, which provides retirement plan coverage to tens of millions of Americans. It is important to remember the impact of the rule not just on service providers, but also on plan sponsors and participants. To lessen any impact on the quality services that plan sponsors and service providers provide to plan participants, we request the DOL ensure plan sponsors are provided notice, time and certainty to appropriately adjust plan services.

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If you have any questions concerning our comments, or if we can be of further assistance, please contact Will Hansen at whansen@eric.org or 202-789-1400.

Sincerely,

Will Hansen

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Senior Vice President, Retirement Policy