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Retirement Services
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March 15, 2017

Filed Electronically

Mr. Timothy D. Hauser
Acting Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: Delay of Applicability Date of Fiduciary Rule (RIN 1210-AB79)

Dear Acting Assistant Secretary Hauser:

ADP, LLC ("ADP") stands firmly behind the principle of protecting the best interests of participants and beneficiaries in retirement plans and individual retirement accounts. Because it supports this principle, ADP also strongly supports the Department of Labor's (the "Department's") proposal to delay the applicability date of the regulation "Definition of the Term Fiduciary; Conflict of Interest Rule – Retirement Investment Advice" (81 Fed. Reg. 20946 (April 8, 2016), the "Fiduciary Rule") as published in the Federal Register on March 2, 2017 (82 Fed. Reg. 12319). It is critical that the Department delay the applicability date to prevent confusion for retirement savers and to provide certainty to the retirement industry.

With approximately $12 billion in revenues and over 650,000[1] clients worldwide, Automatic Data Processing, Inc. ("Automatic Data Processing") is one of the largest providers of a broad range of transaction processing and information-based business solutions. ADP® Employer Services, a division of ADP, which is a wholly owned indirect subsidiary of Automatic Data Processing, offers a wide range of human resource, payroll, and benefit administration solutions from a single source to meet the business needs of employers worldwide.

ADP Retirement Services, part of the Employer Services division, is one of the largest independent retirement plan recordkeepers in the United States. It provides non-discretionary recordkeeping and administrative services to over 38,000 tax-qualified defined contribution retirement plans.[2] Of these plans, over 35,000 have fewer than 100 participants.[3] ADP also separately markets and/or provides money movement services in connection with two IRA institutions for more than 27,000 SIMPLE IRA Plans.[4] In total, it provides comprehensive retirement services to over 66,000 clients and approximately 1.7 million plan participants in plans with approximately $58 billion in assets.[5] While ADP offers retirement plan products and services primarily to small employers, it does service a number of larger plans with up to tens of thousands of participants.

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[1] Source: Automatic Data Processing, Inc. as of August 26, 2016.
[2] Source: ADP Retirement Services as of December 31, 2016.
[3] Source: ADP Retirement Services as of December 31, 2016.
[4] Source: ADP Retirement Services as of December 31, 2016.
[5] Source: ADP Retirement Services as of December 31, 2016.

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As you are aware, the President issued a Memorandum on the Fiduciary Rule (82. Fed. Reg. 9675 (Feb. 7, 2017), the "Presidential Memorandum") that instructs the Department to determine if the Fiduciary Rule adversely affects the ability of Americans to gain access to retirement information and financial advice. It also requires the Department to prepare an updated economic and legal analysis, taking into consideration a number of factors. If the Department determines that the Fiduciary Rule is inconsistent with the priorities outlined in the Presidential Memorandum, the Department must rescind or revise the Fiduciary Rule.

The Department has requested comments on the issues raised by the Presidential Memorandum, and the comment period will not close until six days *after* the Fiduciary Rule's current applicability date. It would be both disruptive to the marketplace and harmful to Americans saving for retirement if the Fiduciary Rule were to become applicable before the Department completes the review required by the Presidential Memorandum. In the absence of a sufficient delay, financial service providers will be required to make material changes to their product and retirement plan offerings only to have to undo or modify those changes if the Fiduciary Rule is later rescinded or amended. That will lead to confusion among consumers and additional costs, which will inevitably be borne by retirement savers.

A partial delay would be impractical for the industry to implement in any meaningful manner upon short notice. With the current applicability date less than a month away, it is unrealistic to ask service providers to parse through compliance strategies to isolate only those necessary for a currently unknown partial implementation of the Fiduciary Rule.

To avoid disruption in the market, the applicability date should be delayed until the Department completes the work mandated by the Presidential Memorandum. It is unlikely, if not improbable, that the Department can complete its work on such a complicated issue by June 9, 2017, the proposed new applicability date. Therefore, we urge the Department to fully delay the applicability date until the work is complete or, at the very least, 180 days; and to extend the transition period by a commensurate number of days. We further request the transition period be extended the same number of days as the delay in the applicability date to ensure that the industry is not forced to expend resources on compliance efforts that prove unnecessary because of subsequent changes to the Fiduciary Rule.

Very truly yours,

Andrew Stewart

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