



August 7, 2017

Filed via Email at EBSA.FiduciaryRuleExamination@dol.gov

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

RE: RIN 1210-AB82 (The “Fiduciary Rule”)

Dear Assistant Secretary Hauser:

The Committee on Investment of Employee Benefit Assets (CIEBA) welcomes the Department of Labor’s (DOL’s) efforts to enhance retirement security for American workers and appreciates this opportunity to provide comments on the Fiduciary Rule and related exemptions (*e.g.*, the Best Interest Contract Exemption) as they are being reconsidered by the agency. **We are commenting to reiterate our concern that fiduciary protections should apply for plan participants in the marketing of Individual Retirement Accounts (IRAs) when participants leave employment and are eligible to receive plan distributions.**

CIEBA – Investment Fiduciary Group with decades of experience. CIEBA members are the chief investment officers of more than 100 of the Fortune 500 companies who individually manage and administer Employee Retirement Income Security Act (ERISA) - governed corporate retirement plan assets. CIEBA members voluntarily sponsor plans and manage almost \$2 trillion of retirement assets on behalf of 15 million participants, representing a very significant portion of the largest private defined benefit and defined contribution pension plans in the US.

As the largest organization of corporate pension investment officers, CIEBA represents the interests of employee benefit plan sponsors before legislators, Congress, regulators and the media. Since 1985, CIEBA has provided a nationally recognized forum and voice for corporate pension plan sponsors on investment and fiduciary issues.

Because CIEBA members are voluntary sponsors of this country’s largest defined benefit and defined contribution plans, we have a strong commitment to the long-term health and viability of the retirement system. As plan fiduciaries and investment professionals responsible for millions of 401(k) plan participants, we are committed to helping plan participants prepare for retirement.

The transition from a defined benefit plan system to a defined contribution plan system has shifted retirement planning responsibilities from plan sponsors to participants. Participants in defined contribution plans must decide how much to contribute, how to invest those contributions, and what to do with their retirement assets when they retire or change jobs. Poor decisions can significantly reduce their retirement assets while good decisions can significantly improve their retirement outcomes.

CIEBA believes that 401(k) plans are an increasingly important source of retirement income but that investing is a highly complex subject, which may be beyond the scope of the average 401(k) participant. As a result, the average 401(k) participant needs safeguards from conflicted advice. Anyone advising participants about their 401(k) assets should be held to the same fiduciary standards as plan sponsors.

The Fiduciary Rule should retain protections for participants rolling over to IRAs. We remain concerned about potential conflicts of interest that could arise without the protections of the Fiduciary Rule, particularly in the marketing of IRAs to 401(k) plan participants when they leave employment. When people seek assistance in deciding what to do with their account balances, they may not fully understand the potential impact of conflicted advice on their investment alternatives. CIEBA believes that participants deserve thorough, prudent, and unbiased advice from all providers involved in the management of their assets.

The Fiduciary Rule is an important step toward protecting participants and beneficiaries from conflicts of interest. In particular, we support the Fiduciary Rule's inclusion in the definition of "investment advice" recommendations for participants to rollover or withdraw their retirement savings from employer-sponsored retirement plans. We believe this new guidance will help ensure that participants receive more prudent and unbiased advice and that DOL should not revise or scale back these important consumer protections.

The Fiduciary Rule has been in effect for two months, and it has not caused the types of market disruptions predicted by some. CIEBA understands that this new rule has increased the compliance costs for certain brokers and investment advisors (*i.e.*, those that previously did not act as fiduciaries), and some providers have changed their service offerings. However, the markets are adjusting to the new regulatory landscape, and we are already seeing entrepreneurs developing more efficient methods of delivering quality investment advice to even the most modest savers. At the end of the day, conflicted "free" advice is no substitute for unbiased fiduciary advice, and the gains from the Fiduciary Rule for retirement savers outweigh any new costs for service providers.

CIEBA appreciates the opportunity to comment on the Fiduciary Rule. Thank you for your consideration of our views.

Sincerely,



Aaron Marks
Public Policy Coordinator