
DALBAR announces fiduciary designation for 401(k) advisors

By Editor Test *Wed, Jun 29, 2011*

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DALBAR, Inc. has introduced the first in the nation fiduciary designation that to identify advisors who commit in writing to act as fiduciaries and have the skills and training to perform at that level of care.

Training for the new designation is provided by a number of Qualified Training Organizations or through a self-study program. For further details on requirements and to apply, visit www.FiduciaryRegistry.com.

The 401(k) RFTM Designation is awarded to designees who after training and testing prove to be fluent in the language and regulations of ERISA. Only candidates “grounded in 401(k)” are admitted to training. Besides training, candidates undergo a background check and supervised testing covering fiduciary practices and the technical requirements of ERISA.

Holders of the 401(k) Designation receive credentials that permit plan sponsors to meet the regulatory requirements of prudent selection of advisors. These credentials highlight the advisors capabilities and make any necessary disclosures.

The 401(k) RFTM was designed to comply with Department of Labor regulations in the areas of fee disclosure, investment advice and the fiduciary standards. Fee disclosure regulations require that advisors who provide investment advice to plan sponsors must document their fiduciary status.

Similar regulations are expected for advice to participants. The proposed redefinition of what constitutes an ERISA fiduciary will exclude non-fiduciaries from providing even incidental or occasional advice.

“The new DoL regulations make it increasingly difficult for non-fiduciary advisors to provide valued services to 401(k) plans” said Louis S. Harvey, DALBAR’s president. He added that “Investment advice will soon be the exclusive domain of fiduciaries and the RFTM will be the mark of distinction for fiduciaries.”

The RFTM Designation is authorized by the Fiduciary Standards Board (formally the Foundation for Fiduciary Studies) and the content is based on the most current 2010 Fiduciary Standards.