
DOL releases guidance on fiduciary investment advice

By Editorial Staff Thu, Apr 15, 2021

The Biden Department of Labor evidently wants retirement plan participants to be ready with questions to ask advisers who invite them to roll their plan assets to a brokerage IRA. Two publications remind investors that advisers must put investors' best interests ahead of their own.



The US Department of Labor’s Employee Benefits Security Administration this week issued guidance on fiduciary investment advice for retirement investors, employee benefit plans and investment advice providers.

The guidance relates to the department’s “Improving Investment Advice for Workers & Retirees” exemption and follows its Feb. 12, 2021, announcement that that exemption would go into effect as scheduled on Feb. 16, 2021.

The department issued two documents:

- **[“Choosing the Right Person to Give You Investment Advice: Information for Investors in Retirement Plans and Individual Retirement Accounts”](#)** includes questions a retirement investor can ask when interviewing potential advice providers, background information to help them understand the purpose of each question, and investor-focused frequently asked questions about the exemption.
- **[A set of compliance-focused frequently asked questions provides guidance for investment advice providers who are relying, or planning to rely, on the exemption.](#)**

Both guidance documents are limited to the application of federal retirement laws to advice concerning investments in plans covered by the Employee Retirement Income Security Act of 1974, such as 401(k) plans and the Internal Revenue Code, such as IRAs.

“The retirement investor guidance provides helpful information regarding the importance of selecting an investment advice provider who is a fiduciary and the protections that are provided to retirement investors under the “Improving Investment Advice for Workers & Retirees” exemption,” said Acting Assistant Secretary of Labor for Employee Benefits Security Ali Khawar.

“The compliance-focused frequently asked questions provide assistance to financial

institutions and investment professionals as they ramp up compliance with the exemption.” The department is continuing to review issues of fact, law and policy related to the exemption, and more generally, its regulation of fiduciary investment advice.

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