

Trump Orders DOL to Re-Examine Fiduciary Rule

The Trump administration directed the DOL to re-examine its final regulation on conflicts of interest and fiduciary status of investment advisors. In response, DOL said it will consider “legal options to delay” the rule’s applicability date.

Background

After years of debate and controversy, the DOL in 2016 issued the “fiduciary rule” that expanded the scope of the definition of fiduciary for employer-sponsored plans as well as non-ERISA investment vehicles like IRAs and HSAs. The rule is generally scheduled to take effect in April 2017, with certain exemptions effective in 2018. (See our *For Your Information* from [April 22, 2016](#).) Opponents of the rule have tried to derail it through multiple lawsuits and congressional action. (See our [January 9, 2017](#) *Legislate* for the most recent legislative attempt.)

President Trump Directs Re-Examination

On Friday, President Trump issued a [memorandum](#) directing the DOL to examine the rule and to take action to rescind or revise it if DOL determines that the rule does either of the following:

- “[M]ay adversely affect the ability of Americans to gain access to retirement information and financial advice”
- Is “inconsistent” with the Trump administration priority to “empower Americans to make their own financial decisions, [or] to facilitate their ability to save for retirement and build the individual wealth necessary to afford typical lifetime expenses.”



In examining the rule, the memorandum specifically directs DOL to consider whether it hinders access to certain retirement savings offerings and information; adversely affects investors or retirees by disrupting the retirement services industry; and/or is likely to cause an increase in litigation and prices investors and retirees must pay for retirement services.

Comment. The memorandum does not delay the rule’s applicability dates. However, if the DOL concludes that it must take action to rescind or revise the rule, DOL might push back those dates.

Following the memorandum, DOL [stated](#) that the agency will “consider its legal options to delay the applicability date” of the rule as it complies with the president’s memorandum.

In Closing

With the April 2017 right around the corner, all eyes are on DOL to see if and how it will delay the rule’s applicability date.

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