

DOL Won't Enforce Fiduciary Rule's April 10 Applicability Date

Aiming to calm stakeholder anxiety, the DOL said it will not enforce the fiduciary rule's April 10 applicability date. In the meantime, the fate of the rule remains in limbo while the DOL decides whether to delay the applicability date – and, ultimately, whether to revoke or revise the rule.

Background

In 2016, the DOL finalized 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 on April 10, 2017, with certain exemptions effective in 2018. Earlier this month, however, the DOL proposed a 60-day delay of the April 10 applicability date to allow time for consideration of a new round of public comments. The DOL said it anticipates that, in this time frame, it can re-examine the rule, implement any necessary additional extension, and propose and implement a revocation or revision, if warranted, after the review is completed. See our [March 1, 2017 FYI Alert](#).

DOL to Financial Services Industry: Don't Worry

Citing concern from the financial services industry about a “gap” period when the fiduciary rule becomes applicable on April 10, 2017, but before DOL publishes a delay, or if the DOL decides not to delay the rule's applicability at all, the DOL issued a [field assistance bulletin](#) stating that it will not bring an enforcement action under these circumstances. According to the DOL, this temporary enforcement relief will “protect against investor confusion and related marketplace disruptions attributable to the uncertainty” on the timing of the DOL's decision on whether to delay the rule's applicability date.

In Closing

Although the DOL said it anticipates issuing a decision on the delay proposal before April 10, this guidance assures stakeholders that the DOL does not intend to bring “gotcha”-type enforcement actions. In the meantime, the fate of the rule remains in limbo while the DOL decides whether to delay on the applicability date – and, ultimately, whether to revoke or revise the rule.



Authors

Julia Zuckerman, JD

Marjorie Martin, EA, MAAA, FSPA

Produced by the Knowledge Resource Center

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email fyi@conduent.com.

You are welcome to distribute *FYI*® publications in their entireties. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.