

Payrollnews

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DOL's Fiduciary Rule on Investment Advice *Compliance Deadline Coming Soon!*

The Department of Labor's (DOL) new fiduciary rule is making headlines again. **Data Management Payroll Services** keeps our clients up-to-date on compliance deadlines and provides the latest in payroll news.

Payroll services from **DMPS** means never missing a compliance deadline. On April 10, 2017, the final fiduciary rule is applicable for the DOL's clear definition of a fiduciary and advice or recommendations given by fiduciaries to be in the best interest of the client.

All retirement plans & IRA fiduciaries (financial advisors and broker-dealers) will now have to provide investment related advice that is in the best interest of the client, and disclose any conflicts of interest.

A "fiduciary" is defined by the DOL as "persons who provide investment advice or recommendations for a fee or other compensation with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships."

IRAs are a lucrative business for financial advisors, broker-dealers, and financial institutions that retain and invest retirement funds. The new rule will protect

participants and ensure advisors don't benefit from NOT acting in the investor's best interest.

Advisors, brokers and firms **that provide services and recommendations for a fee, for commission-based IRA brokerage accounts**, are already subject to an Impartial Conduct Standard that requires best interest recommendations.

satisfy a Prohibited Transactions Exemption (PTE). The best PTE is a Best Interest Contract.

BEST INTEREST CONTRACT

The Best Interest Contract Exemption (BIC or BICE) is a legal contract between the person saving for retirement and the financial institution. The document must state that the advisor will act as fiduciary – in the investor's best interest, and also disclose any conflicts of interest.

GOOD NEWS

The new fiduciary rule should result in more disclosure about the fees and services associated with IRAs and retirement accounts, with lowered costs, and investment advice in clients' best interest.

If you pay flat fees or costs based on the percentage of assets the advisors manage, the relationship with your advisor or broker-dealer may only change slightly – only fee-based advisors are applicable to the new fiduciary rule.

Please remember that individual employees, benefits administrators, and payroll administrators who include



Full compliance is set for January 1, 2018. **Adhering to the new fiduciary rule means providing documentation** that the advisors are acting in the best interest of the client, and must

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WINTER WEB PICKS



IRS TYPES OF RETIREMENT PLANS

Check out each type of retirement plans with IRS links! Information on the many kinds of retirement plans – from IRAs and Roth IRAs to Help with Choosing a Retirement Plan. <https://www.irs.gov/retirement-plans/plan-sponsor/types-of-retirement-plans-1>

DOL FORMS LIBRARY

Click the cool link with all the most frequently requested DOL forms. Some can now be completed online and they're all available to print and download. Keep this link handy! <http://webapps.dol.gov/libraryforms/>


DOL's Fiduciary Rule... continued from front

general retirement savings advice when distributing plan documents, are not plan fiduciaries.

Be prepared! If an employer wants to provide employees investment advice under the new rule, they must designate a financial advisor, broker, or mutual fund rep as plan fiduciary.

For more information and details about the Final Fiduciary Rule click the link for the final rule.

We want to keep you updated. With services from **Data Management Payroll Services**, we'll also send you special updates and reminders, and make sure you never miss an important tax-time or compliance deadline!

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Sources: www.dol.gov and the DOL EBSA Federal Register Vol. 81, No. 68 webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=28806..

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