Client Alert: Employee Benefits Security Administration Releases New Guidance

BY MARISSA • APRIL 15, 2021

Do you know who is directing the investment of your retirement plan account?

On April 13, 2021, the Employee Benefits Security Administration of the U.S. Department of Labor has issued guidance for employees who are responsible for choosing their employer retirement plan investment advisors and the advisers who give individual advice about IRA investments.

Unlike some developed countries, the U.S. does not have a national pension system for retired workers. Here, we rely in large part on employment-based retirement plans and the contributions made to those plans by employers and their employees. With no guarantees as to the earnings that will accrue to these contributions over a person's working life, investment advisers play a central role in guiding the investment strategies and investment selection for their individual and retirement plan clients.

If you serve on your company's retirement plan committee or if you have an IRA, we strongly advise you to open and spend some time reading the three following publications from the Department of Labor:

- "Guidance on Investment Advice Exemption"
- "Choosing the Right Person to Give You Investment Advice: Information for Investors in Retirement Plans and Individual Retirement Accounts"
- "New Fiduciary Advice Exemption: PTE 2020-02 Improving Investment Advice for Workers & Retirees Frequently Asked Questions"

It will be time well spent, even if what you learn is that you are doing everything right. Peace of mind is hard to overrate, so long as it is based on facts and not dreams when it comes to your life in retirement.

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