

Understanding a Smidgen of the DOL's

“Definition of the Term ‘Fiduciary’; Conflict of Interest Rule - Retirement Investment Advice”

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AGENDA

- Background of the Conflict of Interest Rule
- 1974 to Now
- The Reason For the Rule: IRAs
- Some Advisors Are Unhappy With the DOL
- “Fiduciary Central” of ERISA
- The Rule Pertains to One Kind of ERISA Fiduciary
- Element 1: Fiduciary
- Element 2: Investment Advice
- Element 3: Compensation
- Inquiry to Determine If an Advisor is Subject to the Rule
- Some Communications Are Not a “Recommendation” So They’re Not “Investment Advice”
- Some Communications Are Not From a “Fiduciary” So They’re Not “Investment Advice”
- The Best Interest Contract Exemption (BICE)

Agenda (cont.)

- Only “Financial Institutions” May Invoke the BICE
- Requirements of Financial Institutions Invoking the BICE
- The Best Interest Contract (BIC)
- “Fully Leaded BIC” for IRAs and Non-ERISA Plans
- “BIC Lite” for Level Fee Fiduciaries
- “Disclosure BIC” for ERISA Plans
- Transition Rules for BICs
- IRA Rollovers
- Impacts on Fee-Based Advisors?
- Impacts on Commissioned-Based Advisors?
- PTE 84-24 and Annuities
- The Grandfathering Provision of the BICE
- Enforcing the Rule
- Important Dates