FINANCIAL PLANNING COALITION

May 17, 2017

Education and Workforce HELP Subcommittee Members:

The Financial Planning Coalition (Coalition) – comprised of the Certified Financial Planner Board of Standards, Inc. (CFP Board), the Financial Planning Association® (FPA®), and the National Association of Personal Financial Advisors (NAPFA), whose stakeholders and members account for over 80,000 financial planning professionals in the U.S. – supports the U.S. Department of Labor (DOL) Conflict of Interest Rule (Fiduciary Rule) and opposes any legislative action that would delay or block its implementation.

Tomorrow, the Subcommittee will hear testimony on the "Regulatory Barriers Facing Workers and Families Saving for Retirement." It is well documented that American workers saving for retirement lose out on billions of dollars each year as a result of relying on investment advice from financial professionals who put their own financial interests ahead of their customers' best interests. Congress can address this drain on Americans' retirement savings workers and families by supporting the DOL Fiduciary Rule.

As recognized by Congress since 1974, the DOL is the expert agency charged with implementing fiduciary-level advice for tax-preferred retirement assets under the Employee Retirement Income Security Act (ERISA). The Fiduciary Rule requires financial advisors to provide advice to retirement plans and Individual Retirement Accounts (IRAs) that is in the customer's best interest, establishes urgently needed consumer protections for retirement investors, and is workable across financial service business models.

The Coalition's support for the Fiduciary Rule is based on the real-world experience of the Coalition and its more than 80,000 financial professionals and other stakeholders in applying the fiduciary standard across business and compensation models. Since 2008, when CFP Board established a fiduciary standard, which has been endorsed by both FPA and NAPFA, CFP® professionals have been successfully providing fiduciary-level financial planning services in their client's best interest to large and small savers, across business models, and across compensation models. Based on this experience, the Coalition believes the Fiduciary Rule is both workable and essential to protect America's retirement savers.

Calls for Congress to delay or prevent implementation – citing "costly" or "burdensome" regulations – disregard the conclusions reached by many in the financial services industry who have begun implementation: **the Fiduciary Rule is good for both American businesses and for American consumers**.

It is important to note that multiple federal courts have recently upheld the Fiduciary Rule. Specifically, the courts have stated the previous five-part test, which will continue to apply under a delay, is at "odds with the statute's text and its broad remedial purpose" and that the Fiduciary Rule "better comports with the text, history, and purposes of ERISA."

We understand opponents of the Fiduciary Rule are aggressively advocating for legislation that would prohibit DOL from implementing the Fiduciary Rule. We urge you to oppose these efforts and to allow the DOL to continue its crucial work to protect retirement investors. The need for a strengthened Fiduciary Rule under ERISA is long overdue.

Sincerely,

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