

PUBLIC SUBMISSION

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Definition of an Investment Advice Fiduciary

Comment On: EBSA-2023-0014-0001
Retirement Security Rule: Definition of an Investment Advice Fiduciary

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Submitter Information

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General Comment

I'm writing to express my concerns with the Department of Labor's (DOL) Retirement Security rule proposal.

We are a small business helping hundreds of households with their overall financial planning and investing needs. I outline these two components of our service, as they two (Financial Planning AND Investing) go hand-in-hand. Every client of ours is encouraged to go through some modicum of Financial Planning in their work with us.

The DOL Rule as stated will limit and discourage access to individual financial planners and encourage the consolidation of smaller firms into larger firms. Americans who have their retirement savings at larger firms (Fidelity, Vanguard, etc.) who do not have the ability to invest on their own will be more underserved than ever.

You need not look any further than our hospitals, school and municipalities who do not have enough employees and continue to squeeze out more productivity with fewer workers. This is the same symptom that will continue to erode with the wording and implied barrier to personalized service in this proposed rule.

We believe this proposal will harm millions of low- and middle-income households by limiting access to personalized financial guidance and advice.

As a financial professional, I'm already required to act in the best interests of my clients under the SEC's Regulation Best Interest (Reg BI) and, when considering annuities, applicable state laws that impose similar requirements. Together, these regulations ensure that my clients and I can focus on working together to build responsible savings and investments habits.

This proposal has the potential to upend our existing, comprehensive structure by limiting our ability to help our clients safeguard their savings in a manner of their choosing. In particular, the previous iteration of a substantially similar DOL rule resulted in a meaningful reduction in services offered to millions of low- and middle-income households. I am concerned that the resurrection of this rule is expected to exacerbate the racial wealth gap by roughly 20% due to a disproportionate impact on Black and Hispanic communities.

I hope the DOL will consider the harm the previous fiduciary rule had on communities, as well as the changes in securities regulations that came with the adoption of Reg BI and state insurance suitability rules and withdraw the Retirement Security rule proposal.