The Car Salesman Who's a Fiduciary

At more than 1,000 pages, the new fiduciary rule issued by the U.S. Department of Labor (DOL) will take some time to digest and implement. Keeping in mind that the DOL rule may still be subject to legal and legislative challenges, advisors should familiarize themselves with the rule's key points.

The rule takes effect on April 10, 2017, with a transition period for implementation of certain provisions that lasts until January 1, 2018.

The new fiduciary rule was designed to protect clients with qualified retirement accounts (i.e. ERISA plan sponsors, participants, beneficiaries, IRA owners, or fiduciaries of ERISA Plans). Under the new regulation any individual who makes a recommendation with regard to ERISA plan or IRA investments, rollovers, distributions, or provides investment advice could be considered a fiduciary. The new rule does not specify who is or isn't subject to this standard which leads one to believe that the rule is all encompassing.

A retiree purchases a new car.

The car salesman recommends a down payment and the consumer uses a portion of their annual required minimum distribution (RMD) as the down payment for the vehicle.

Under the DOL's Fiduciary Ruling; the car salesman made a recommendation pertaining to assets in a qualified retirement account and is now a Fiduciary…

Do you work with clients who have IRAs or retirement accounts? If yes, do you know what the new DOL ruling means to you and your business?

AimcoR works with Advisors and provides consultative, unbiased advice to help protect the best interests of the clients our Advisors serve. Visit www.aimcorgroup.com or call 866.428.0108 for more information on how AimcoR can help you navigate the new DOL regulations