

Events

Groom Webinar: Unpacking PTE 2020-02 – Improving Investment Advice for Workers & Retirees – Opportunities and Implications for Retirement Services Providers (February 17, 2021)

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In a surprise move, the DOL allowed PTE 2020-02 to go into effect on February 16, 2021. The new exemption was proposed and finalized during the Trump administration, but because it was not effective before January 20, 2021, the Biden administration could have delayed its effective date. Instead, the new administration allowed the exemption to go into effect as scheduled. The exemption allows financial institutions to give fiduciary investment advice to ERISA plans, plan participants and IRAS and to receive otherwise prohibited compensation resulting from that advice, if certain conditions are met. The exemption also allows certain principal transactions between plans and fiduciaries. PTE 2020-02 is unique among DOL exemptions because it broadly covers many types of conflicted transactions, and is not limited to particular products or services. Intended to harmonize with the approach taken by the Securities and Exchange Commission in Regulation Best Interest, the exemption applies to fiduciary rollover advice and many other fiduciary interactions that can result in conflicted compensation. In the preamble to the final PTE 2020-02, the DOL set forth an expansive interpretation of its 1975 regulation defining who is an investment advice fiduciary under ERISA. In its announcement that PTE 2020-02 would not be delayed, the DOL indicated that it would continue to review PTE 2020-02 and other exemptions, as well as the advice fiduciary definition regulation.

In this webinar we will explore:

- The DOL's latest interpretation of its fiduciary advice regulations;
- Important new opportunities available under PTE 2020-02 for all types of plan service providers;

- Alternatives to PTE 2020-02 compliance, including continuing to rely on the temporary non-enforcement policy outlined in FAB 2018-02 and/or PTE 84-24; and
- What we might expect to see from the Department in the coming weeks and months.