

Publications

# The Perception of Conflict Between Service Providers: Image Versus Reality

**ATTORNEYS & PROFESSIONALS**

**David Levine**

[dlevine@groom.com](mailto:dlevine@groom.com)

202-861-5436

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A common theme in many lawsuits and regulatory investigations is a “conflict” between a party providing services and a benefits plan or plan participants. However, this discussion is often one of image versus reality.

Someone could argue that everything in the retirement industry presents some conflict. Even paying for plan expenses out of a plan could be a conflict because the decider could find another way of paying.

However, ERISA and regulatory exemptions recognize that fear of conflicts could be harmful if it went too far and prevented common activities—such as payment of reasonable compensation and the use of proprietary mutual funds in a plan—from taking place and, conversely, permitted activities even where someone could argue there is a “conflict.”

Without exemptions, participants would face worse retirement outcomes because the retirement system would have significant operational challenges merely functioning and would likely be far more expensive to operate.

In this *National Association of Plan Advisors* (“NAPA”) article, “The Perception of Conflict Between Service Providers: Image Versus Reality,” Groom principal [David Levine](#), co-chair of the firm’s [Employers & Sponsors group](#), examines misconceptions about conflicts in the retirement industry.

To read the article, [click here](#).