

## The New Retirement Security Rule and You

In late April 2024, the Department of Labor passed the Retirement Security Rule which promised to implement sweeping changes across the wealth management landscape. While there are many important changes for you, the investor, held in the new Retirement Security Rule, the most notable change made by the rule is when someone in an adviser's position is deemed a fiduciary.

The fiduciary relationship is an important one in the financial planning and wealth management industry because when an adviser is acting as a fiduciary, they first and foremost must treat the client's needs and interests above and beyond any personal interest they may have. It is simply the highest standard of care a service professional can have with a client. There are of course some extreme examples of this playing out in practice, but at its core the principle is that an adviser must make sure that whatever purchase, sale, recommendation, etc., they are making to or for a client is in the client's best interest even if it is theoretically harmful to the adviser.

The new Retirement Security Rule

now increases the reach of who is defined as a fiduciary in the eyes of the Department of Labor. This is important because the Department of Labor has a significant amount of oversight over many investors in the country through their retirement, or qualified, investment accounts. There are numerous types of qualified investment accounts, but the most common are 401(k)s, IRAs, and Roth IRAs. If you have one of these types of accounts, you are what the Department of Labor now defines as a Retirement Investor

**“Retirement assets are amongst the most sacred for the American public, and rightfully so, as they constitute the basis for many beginning the post-career chapter of their lives.”**

who is now protected by the new fiduciary requirements of the Retirement Security Rule.

In essence, the Retirement Security Rule states that if a financial adviser provides a recommendation to you in regards to your qualified investment account(s), whether that is to buy,

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