

Speaking Out about the Fiduciary Rule

House Speaker Paul Ryan Rallies Fiduciary Rule Opponents

Considered one of President Obama’s “key legacy achievements”, the final version of the proposed Fiduciary Rule is set to be released in mere weeks. While the finish line may be in sight for proponents of the fiduciary rule, one high-profile opponent is not backing down. Accompanied by his staff, Speaker of the House, Paul Ryan (R-WI), has recently fueled the fires of opposition towards the DOL’s proposed Fiduciary Rule.

Echoing Concerns of the Financial Industry

On March 7th, as President Obama was gearing up to meet with independent regulators of the proposed regulation, Speaker Ryan’s Deputy Communications Director, Julia Slingsby, posted an article to the Speaker’s website referring to the proposed rule as “Obamacare for financial planning”. Echoing many concerns voiced by the financial industry, Slingsby wrote, “Like Obamacare, the fiduciary rule requires an enormous amount of paperwork and makes recordkeeping more expensive. Like Obamacare, it will result in higher costs and fewer options for small businesses trying to get up and running. Families with modest bank accounts seeking expert advice will no longer be able to justify the expense. Like Obamacare, the fiduciary rule may have a noble intent, but it’s another one-size-fits-all regulation that’s bad for Americans”.¹

Rallying the Opposition

These are not the first remarks made by Speaker Ryan and his staff voicing disapproval of the proposed rule. In a March 3rd press briefing, Speaker Ryan addressed the impending release of the final version of the rule and expressed commitment on behalf of his staff and Congress to delay the rule and find a better solution. “The Obama administration is in the final stages of preparing its so-called fiduciary rule. This rule would raise costs and limit options for people seeking advice on their retirement planning. This rule could hurt millions of middle-class savers.” He continued, “We have already passed a bill in the House to delay this rule. And we have passed bills in two committees laying out responsible alternatives. When this rule comes down, we will be ready to do what we can to protect the savings of hardworking Americans. And when we do, I hope that we will be joined by the dozens of Democrats who have expressed concerns about these regulations.”²

A February 22nd post on the Speaker’s website, penned by Communications staff members Michael Shapiro & Mike Ricci, points to further actions of the opposition, including both Republicans and Democrats. These actions include nearly 100 Democrats voicing concerns over the proposed regulation in letters to DOL Secretary Thomas Perez as well as various acts designed to delay the DOL’s rule or require Congressional approval such as Rep. Peter Roskam’s (R-IL) “Strengthening Access to

¹ Slingsby, Julia. Obamacare for financial planning. Paul Ryan, Speaker of the House. 7 March 2016.

² Speaker Ryan Press Office. Speaker Ryan: We Need to Stop the Harmful Fiduciary Rule. Paul Ryan, Speaker of the House. 3 March 2016.

Valuable Education and Retirement Support (SAVERS) Act”, approved by the Ways & Means and Education & Workforce committees.³

The Bottom Line

The Fiduciary Rule has been surrounded by both support and opposition since the original proposed rulemaking was released in October of 2010. Speaker Paul Ryan’s recent barrage of disapproval is significant because it is not only timely, as the final proposal will likely be released in the very near future, but it comes from a high-profile person, in a solid position to potentially foster change. As Speaker Ryan explained in a recent interview with The Racine Journal Times, “the intent of making sure people get sound advice and conflicts of interest (disclosures) is a good idea”, but many believe the current rule may not be the correct solution.⁴

While it is impossible to please each stakeholder with a solution that affects millions of Americans, we can only hope that the beliefs of both proponents and opponents on this issue will lead to the best solution for American workers.

³ Ricci, Mike & Shapiro, Michael. This One Rule Could Hurt Millions of Middle-Class Savers. Paul Ryan, Speaker of the House. 22 February 2016.

⁴ Zambo, Kristen. Labor rule ‘is such overkill,’ Ryan says. The Journal Times (Racine, WI). 4 March 2016.