



January 20, 2016

Oppose H.R. 4293 and H.R. 4294: Legislation to Weaken Protections for Retirement Savers

Dear Member of Congress:

As strong supporters of the Department of Labor's (DoL) effort to strengthen retirement income security for working families and retirees, we urge you to reject H.R. 4293 and H.R. 4294, legislation recently introduced as a purported "alternative" to the DoL rulemaking. Whereas DoL's proposed rule would require all financial professionals who provide retirement investment to act in their clients' best interest, these bills would not and would weaken existing safeguards protecting investors.

First, we disagree with the premise that an alternative to the DoL rule is necessary. The DoL's proposed rule offers a balanced approach that expands the range of advisory services covered by ERISA's fiduciary standard while allowing firms to operate under a broad range of business models. And there is every reason to believe that there will be final-rule changes to reflect the many constructive comments received.

Second, while the professed goal of H.R. 4293, the "Affordable Retirement Advice Protection Act," and H.R. 4294, the "Strengthening Access to Valuable Education and Support Act," is to provide an alternative to the DoL rulemaking, these companion bills not only maintain the current loopholes in the definition of retirement "investment advice," they also weaken the current standard that applies to such advice. These bills are a step backward, not a step forward, from the status quo.

Working families and retirees saving for a secure and independent retirement deserve the strengthened protections offered by the DoL rule proposal— an enforceable best interest standard, backed by real mitigation of conflicts, applicable to all retirement investment advice. We urge you to reject these deeply flawed bills.

Attached please find a more detailed analysis of the key provisions of H.R. 4293 and H.R. 4294. If you have questions, contact Micah Hauptman, Financial Services Counsel, Consumer Federation of America by email at mhauptman@consumerfed.org or by phone at 202-939-1004.

Sincerely,

SaveOurRetirement Steering Group

AARP
AFL-CIO
American Federation of State, County and Municipal Employees (AFSCME)
Americans for Financial Reform
Better Markets
Consumer Federation of America
Pension Rights Center

