



# WHAT A DIFFERENCE A YEAR MAKES



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A little over a year ago, on May 15, 2017, Investmentnews reported that Fidelity would be taking on fiduciary responsibility in defined contribution plans to comply with the then impending DOL Fiduciary Rule (see article here). This was much to the chagrin of retirement plan advisers who were, at the time, concerned about being cut-out, not to mention being confusing to Plan Sponsors. In reading the article, I can definitely relate, understand and agree with why advisers felt the way they did. Remember, this was pre-implementation of the Rule, the rhetoric was flying, and there was a lot of uncertainty and confusion. Anyone presenting these fiduciary options to Plan Sponsors during this past year may have led them to believe they were significantly reducing their fiduciary responsibility,

and that perhaps they didn't need anything else (i.e., a trusted retirement plan adviser).

But now, just a mere year later, to July 18, 2018, Investmentnews reports that Fidelity is basically taking it back (see article here). They will no longer be a "point in time" fiduciary for 401(k) plans, thanks to the recent death of the DOL Fiduciary Rule. Its back to business as usual, providing investment guidance, not subject to ERISA, and considered non-fiduciary services. It's like the kids on the playground, "YOU SAID I COULD HAVE ONE AFTER SCHOOL," "WELL NOW YOU CAN'T, TOO BAD!" Tough break, Plan Sponsor ... maybe next time??? It makes you wonder what happened in the past year. And what's coming next? Who's coming next?

So, what does this all mean for you Plan Sponsor, HR Team and the rest of the fiduciaries? Depends on how you look at it I guess. Maybe it's like being back in the deep end of the pool. Or up the creek without a paddle. If you thought you had less

responsibility and liability, think again. And don't forget personal liability, yes, that's right, not a typo, your personal assets are at risk (and have always been at risk). Fiduciary liability can be reduced, but never fully eliminated. It doesn't matter how many layers of protection, program or insurance you have in place. You picked them, you made the decision, you signed on the dotted line!

I have always preached, and always will that Plan Sponsors deserve better. They deserve to work with providers and retirement plan advisers that have stepped up, those willing to adhere to a higher fiduciary standard, rule or no rule, and who are willing to act in your best interest. They're out there! You don't have to "accept" anything. And if you have any questions at all about the fiduciary positions of your providers, ask them! Don't wait, don't wonder, ask the question! Do it for yourself, do it for your company, and most importantly, do it for the employees who are counting on you!

Priority Pension Services, Inc. (AFI) is a full-service employee benefits consulting, Actuarial, insurance and third-party administration (TPA) firm, offering strategic and proactive solutions to retirement plans for over 20 years! We also specialize in providing education to Plan Sponsors & fiduciaries. We are always happy to help in any way we can. Please feel free to contact me at 516-584-2755 or [ginam@ppsafi.com](mailto:ginam@ppsafi.com) with any questions or if you would like more information about one of our upcoming education sessions.



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