



New DOL Rule on IRA accounts and Investment Advice

By Diana Bollenbaugh

As many of you have been hearing or reading, the Department of Labor presented its new ruling in April 2016 regarding all types of retirement accounts. Since April, Cambridge Investment Research, Inc. (our Broker-Dealer) has been reviewing how this will effect Investment Advisor Representatives and their clients. In other words, the people who give investment advice on retirement accounts will be required to provide advice in the best interest of their client.

Pros	Cons
All advisors should avoid potential conflicts of interest when providing advice.	There may be unacknowledged bias on the part of the advisor for certain types of investment vehicles. Advisors will also need to be very clear regarding how they are compensated.
Advisors must provide advice that is in the best interest of the client.	Clients will have to be willing to give a greater volume of personal information to their advisor. Including, but not limited to health status, potential longevity discussions, all non-qualified assets, outside retirement accounts not overseen by advisor (i.e. 401k or 403b accounts).
Creates fee transparency so clients understand what they are paying for.	I don't think there is one.
Creates a levelized fee structure for client accounts	Guidance on what this means is unclear. May affect clients with small accounts the most as they will likely be in commission-based accounts that can become "fee-heavy" due to underlying fund or platform costs.
Advisors fee structure will change to a certain extent.	Younger people just starting IRAs may have difficulty in finding someone to provide advice and manage the asset.

At Moir Financial, we have always attempted to give the best advice possible with your best interest in mind. From what has been trickling down from the Broker-Dealer level, we are ahead of the game. Heading into 2017, and through April 2017, you will be receiving more communication from our team regarding these new regulations. You may also receive requests from us about further information on you and your situation, so we can effectively provide advice under these new regulations.

For more information, check out the DOL Fact Sheet titled: **Department of Labor Finalizes Rule to Address Conflicts of Interest in Retirement Advice, Saving Middle Class Families Billions of Dollars Every Year**

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