



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

September 23, 2015

The Honorable Thomas Perez,
Secretary, U.S. Department of Labor
Office of Regulations and Interpretations,
Employee Benefits Security Administration, Room N-5655
200 Constitution Avenue, N.W., Washington, DC 20210

Curtis Bramble
Senate President Pro Tempore
Utah
President, NCSL

Karl Aro
Director of Administration
Department of Legislative Services
Maryland
Staff Chair, NCSL

William T. Pound
Executive Director

Dear Secretary Perez:

I write to you on behalf of the National Conference of State Legislatures (“NCSL”) regarding the Department of Labor’s proposed rule change concerning conflicts of interest, and as to what constitutes a fiduciary in relation to plans under the Employment Retirement Security Act of 1974 (“ERISA”) and IRAs under Section 4975 of the Internal Revenue Code of 1986. I urge the U.S. Department of Labor to extend the window for comments in this proceeding to provide additional state input.

These rules will invariably affect each and every state, and it is incumbent upon the agency to seek out their valuable expertise before issuing a final rule. State legislatures play an important role in the regulation of insurance. NCSL recognizes that the federal government has an interest in efficient and fair capital markets. NCSL also acknowledges that the states’ securities agencies are indispensable partners with their federal counterparts engaging in the pursuit of fair and efficient capital markets by protecting local investors, workers, and communities by ensuring compliance with securities laws.

Due to the increasing number of retirees in the “baby boomer” generation, and the increasing complexity of our financial markets, the need for adequate protections may be stronger than ever. While proposed rules seek to more clearly attenuate the potentially lopsided nature of the relationship between broker-dealers and other financial services professionals and their clients, this decision should come after careful deliberation. I invite you to use NCSL as a resource to maintain an open dialogue between the states and the federal government on this matter.

Sincerely,

William Pound
Executive Director, NCSL