



**International
Union of Bricklayers
and Allied Craftworkers**

James Boland

President

July 21, 2015

Via Federal eRulemaking Portal: www.regulations.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210
Attn: Conflict of Interest Rule

Re: Definition of Fiduciary; Conflict of Interest Rule-Retirement Investment Advice and Related Proposed Prohibited Transaction Exemptions, Docket Number EBSA-2010-0050-0205; RIN 1210-AB32

To Whom It May Concern:

Please accept this letter on behalf of the International Union of Bricklayers and Allied Craftworkers ("BAC"), its 120 U.S. affiliates and its members in response to "Definition of Fiduciary; Conflict of Interest Rule-Retirement Investment Advice and Related Proposed Prohibited Transaction Exemptions." BAC is the oldest continuous union in the United States and represents nearly 80,000 members working in the masonry industry.

BAC members spend their lifetimes conserving part of their hard-earned wages to fund secure retirements for themselves and their families. For the most part, these retirements are in the form of defined benefit pensions, but they are also increasingly participating in 401(k) plans. In those plans, they, as most Americans, are more dependent than ever on advice from financial advisors to help them make complex retirement investment decisions to navigate through the intricacies of the financial market. These financial advisors are often permitted to recommend investments that come with high fees, poor returns, and even substantial risks because they have no fiduciary duty to act in the best interest of their clients.

Unfortunately, because of ambiguities that exist in the statutory definition of fiduciary under the Employee Retirement Income Security Act (ERISA), many of the financial advisors that give critical retirement investment advice are legally allowed to place their own financial interests ahead of the interests of their customers. This conflict of interest can leave scores of unsuspecting workers and retirees to follow questionable advice, yet leaves no accountability for the advisors who induce them to poorly invest their saved earnings. The current regulatory scheme leaves both workers and retirees vulnerable to follow misleading advice that could deplete their savings and threaten their prospects for retirement.

The proposed rule by the Department of Labor (DOL) entitled "Definition of Fiduciary; Conflict of Interest Rule-Retirement Investment Advice and Related Proposed Prohibited Transaction Exemptions," however, will correct this loophole by sharpening the statutory language to define exactly what professional advice is governed under a fiduciary standard of care. Under the current regulatory scheme of ERISA, enacted over 40 years ago, those giving financial investment recommendations can avoid fiduciary obligations under the outdated five-part test. The newly proposed rule supplants this five-part test and simply and clearly assigns fiduciary status to those who earn compensation for providing a recommendation that is either individualized or specifically directed to an employee retirement plan, a plan participant, an Individual Retirement Account (IRA), or an IRA owner. This rule change will guarantee that all important financial investment advice regarding retirement assets is given in the best interests of the client.

Updating this standard will generate better investment outcomes for retirement savers and provide concrete benefits to millions of workers, investors, and retirees at no cost to the US treasury and taxpayers. The proposed rule will protect those nearing retirement and those already in retirement from accepting potentially harmful advice from professionals not obligated to act in their best interests. Particularly, the proposed rule will provide protection to low and middle-income Americans who are more vulnerable to accepting poor investment advice that could deplete their life savings. Ultimately, this rule advances the underlying purpose for which ERISA was enacted, to protect the retirement interests of Americans. For the foregoing reasons, BAC strongly endorses this proposed rule and urges its adoption.

Sincerely,

A handwritten signature in black ink that reads "James Boland". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

James Boland
President