August 25, 2020

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor

Via Federal eRulemaking Portal: www.regulations.gov
Attn: EBSA-2020-0003
Re: RIN 1210-ZA29
Improving Investment Advice for Workers & Retirees

Dear Sir or Madam:

DALBAR, Inc. ("DALBAR") submits this letter in response to the Department of Labor's ("DOL") notice of public hearing for the proposed regulation, *Improving Investment Advice for Workers & Retirees* ("Proposed Regulation").

We respectfully request an opportunity for Louis Harvey, President and CEO of DALBAR and Cory Clark, Chief Marketing of DALBAR, to testify on DALBAR's behalf at the DOL's September 3-4 public hearing on the Proposed Regulation. Mr. Harvey and Mr. Clark's testimony will cover the points highlighted in the attached outline, which expands upon our comment letter to the DOL dated July 28, 2020.

DALBAR would like to thank the DOL for the opportunity to share our views on this subject. We look forward to addressing our findings in greater detail at the public hearing. If you have any questions, please contact Cory Clark, Chief Marketing Officer, at cclark@dalbar.com or (617) 624-7156.

Respectfully,

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Fundamental Differences Between Investment and Rollover Decisions

Principles

Investment Decisions are primarily driven by expected investment appreciation and capital preservation.

Rollover Decisions are primarily driven by spending choices, personal obligations, estate considerations and longevity risk.

Differences

Best interest Investment decisions are largely determined by characteristics of the investments and are therefore similar across large population segments. The investment expertise of the advising professional and availability of investment choices heavily influence what is recommended.

Best interest rollover decisions are largely determined by individual preferences and choices and only after the rollover decision is made, can attention be turned to the investment decisions.

It is therefore critical to give great weight to the importance placed by the investor on the various factors that determine the rollover recommendation (See Checklist).

Another fundamental difference that is not accounted for in the regulation is reversibility. Damages arising from imprudent investment recommendations can generally be limited by selling what was bought or buying back that which was sold. No such limits exist for an imprudent rollover, since the retirement investor does not usually have the choice to rejoin a plan, after rolling out the assets.

Regulatory Environment

Extensive regulations currently exist for investment recommendations built on decades of experience and research. Applying such regulations to ERISA plans is relatively straightforward.

Rollover regulations, however, exist only within ERISA and it is not feasible to simply build on existing investment recommendation regulations since they don't exist for rollovers. ERISA rollover regulations exist only in Section 408(g), where it is required for fiduciary computer models to be certified and audited and for personal fiduciary advice be fee leveled and audited.

DALBAR has taken the step of adapting the 408(g) process to the Proposal's Retrospective Review to suggest the scope of a fiduciary review of rollovers.