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AARP Backs Labor Department Proposal that Boosts Chance of Secure Retirement

Measure Would Protect Retirement Investors and Savers from Conflicts of Interest

WASHINGTON, DC—The U.S. Department of Labor’s proposed rule to protect 401(k) and IRA investors against conflicts of interest in the financial services industry would better ensure that American families have adequate income in retirement, according to [comments](#) filed with the agency today by AARP.

The rule, [proposed](#) in April, would require financial advisers to provide advice in their clients’ best interest, rather than meeting an inadequate standard currently applicable to some professionals in the financial services industry. President Obama had voiced his support for such a rule during a [visit](#) to AARP headquarters in February.

“With conflicted investment advice costing Americans an estimated \$17 billion per year, it’s time to require investment professionals to put consumers’ interests first,” said Nancy LeaMond, Chief Advocacy & Engagement Officer, AARP. “Though many financial advisers already provide reliable and sound advice, the conflict of interest loophole should be closed so that ‘clients’ best interest’ applies uniformly across the industry.”

In its [comments](#) filed today, AARP also noted that the nature of retirement savings instruments has changed significantly since the current regulations were enacted in 1975, when many more employees were covered by defined benefit pensions. AARP’s opinion letter addressed various technical aspects of the rule, including the definition of investment advice, 401(k) rollovers and distributions, fiduciary responsibility and investor education.

Since May, AARP has delivered nearly 70,000 [petitions](#) to the Labor Department containing signatures of people from every state in support of regulations to close the loopholes in current law.

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About AARP AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; [AARP Online](#) ; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at [AARP Online](#).

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