



Legislative and Regulatory Report

A monthly review of the latest information of importance to retirement plan sponsors

December 2023

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DOL holds hearings on fiduciary rule

The U.S. Department of Labor (DOL) conducted [online hearings](#) December 12-13, 2023, regarding its proposed rulemaking titled “Retirement Security Rule: Definition of an Investment Advice Fiduciary” and related proposed prohibited-transaction amendments. With more than 40 groups testifying, trade organizations such as the Insured Retirement Institute (IRI) and the American Council of Life Insurers (ACLI) emphasized the proposal’s adverse impacts, including limiting access to sound financial advice, increasing the wealth gap, and the proposal’s disregard for the robust regulatory systems implemented by states and the Securities Exchange Commission (SEC) that seek to protect consumers. The 60-day comment period for the retirement rule expired on January 2, 2024.

IRS issues SECURE 2.0 “grab bag” guidance

On December 20, the Internal Revenue Service (IRS) released Notice 2024-2, providing a “grab bag” of guidance in the form of Q&As on certain issues under select sections of the SECURE 2.0 Act. Of note, the guidance provides an additional 1-year extension, to December 31, 2026, of the deadline to amend plan documents and IRAs to reflect the original SECURE Act, SECURE 2.0 and other recent legislation. The [Notice](#) invites comments and suggestions regarding the guidance on or before February 20, 2024. The Notice states that it is not intended to provide comprehensive guidance as to the specific provisions of SECURE 2.0, but rather “is intended to provide guidance on discreet issues to assist in commencing implementation of these provisions.” The Notice also states that the Treasury Department and IRS continue to analyze the various provisions of SECURE 2.0 and “anticipate issuing further guidance, including regulations, as appropriate.”

SBA requests extension on fiduciary rule comment period

On December 20, the U.S. Small Business Administration's (SBA) Office of Advocacy requested an additional 60-day extension to the comment period on the Department of Labor's [proposed fiduciary rule](#). The request states that small-entity stakeholders lack the necessary resources to meaningfully comment on the proposed rule under the current 60-day deadline, despite small entities being the audience best positioned to provide the DOL with feedback on the rule's potential costs and impact. Additionally, the request advised that under the [Regulatory Flexibility Act](#), the DOL must consider the economic impact of the rule and consider less costly alternatives, and the information supplied by small entities is critical in doing so.

References and source material used in this publication

"Retirement Security Rule: Definition of an Investment Advice Fiduciary and Related Exemptions Public Hearing," [dol.gov/agencies/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AC02-hearing](https://www.dol.gov/agencies/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AC02-hearing).

"Miscellaneous Changes Under the SECURE 2.0 Act of 2022," [irs.gov/pub/irs-drop/n-24-02.pdf](https://www.irs.gov/pub/irs-drop/n-24-02.pdf) (Dec. 20, 2023).

"Proposed Retirement Security Rule: Definition of an Investment Advice Fiduciary," [dol.gov/agencies/ebsa/laws-and-regulations/laws/erisa/retirement-security](https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/erisa/retirement-security).

"The Regulatory Flexibility Act," [advocacy.sba.gov/resources/the-regulatory-flexibility-act](https://www.advocacy.sba.gov/resources/the-regulatory-flexibility-act).

Keeping watch

You can find the most recent information on issues affecting governmental defined contribution plans, plan sponsors and plan participants on the Employer page of our plan website, NRSforu.com/plansponsor.



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