

Frequently Asked Questions

Department of Labor (DOL) Fiduciary Rule

Rule and Related Guidance Struck Down
June 2018



Ultimately, you want your employees to be ready for retirement. Although the DOL Fiduciary Rule has been invalidated through the judicial process, rest assured that this change will cause no interruption in the services VALIC provides to you and your plan participants. Below you will find answers to common questions regarding the impacts of this change.

Q. Why did I receive a new communication from VALIC about the DOL Fiduciary Rule?

- A. The DOL Fiduciary Rule has been struck down by a decision of the United States Court of Appeals for the Fifth Circuit. That decision has now taken effect. The prior rules governing fiduciary advice in ERISA plans, self-employed plans, and IRAs are applicable once again.

It is an important priority for VALIC to continue to communicate with our Plan Sponsors as the regulatory landscape, and in particular, the DOL Fiduciary Rule, evolves. We wanted to inform Plan Sponsors about what, if any, changes they should expect following the invalidation of the DOL Fiduciary Rule.

Q. How does invalidation of the DOL Fiduciary Rule impact VALIC services to me as the Plan Sponsor, or to plan participants?

- A. As a Plan Sponsor, you should expect no changes to our services to you, and no changes to our services to your plan participants except as required to comply with the applicable rules. Specifically, for plans that were subject to the new requirements:

- This latest change will cause **absolutely no interruption** to the robust services provided to our Plan Sponsors such as offering of an investment and recordkeeping platform, providing assistance to you as you select and monitor plan investment options, and providing nondiscretionary plan recordkeeping and related services.
- It also will not cause an interruption to plan participant services. Some of the participant services provided by the Plan's local VALIC Financial Advisors, Inc. (VFA) representatives became fiduciary recommendations under the DOL Fiduciary Rule. At that time, we committed to continue providing all of the non-fiduciary participant services, as well as other services impacted by the Rule, and to comply with the DOL Fiduciary Rule. We introduced new tools and processes to help ensure we were meeting those obligations. **These services will continue uninterrupted, as will the use of the new tools, even though certain activities with participants will once again be non-fiduciary.**
- We will be providing any necessary updates to service provider and participant fee disclosures reflecting the regulatory changes.

Plans that were not subject to the requirements, such as non-ERISA governmental and church plans, also will see no changes. Use of the new tools and processes will continue for these plans as well.

Frequently Asked Questions (Cont.)

Q. Since the DOL Fiduciary Rule has gone away, will that be the end of the regulatory activity on this subject?

A. There is ongoing regulatory activity addressing issues similar to what the DOL Fiduciary Rule addressed both at the federal and state level. We are monitoring all of this activity and will keep you apprised on any impactful changes.

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