

# Paychex Announces Solutions to Help Financial Advisors Meet New Fiduciary Rule Requirements

ROCHESTER, N.Y.--(BUSINESS WIRE)-- Yesterday, the U.S. Department of Labor (DOL) released the long-awaited, final version of its conflict of interest rule, which will expand the types of retirement investment advice covered by fiduciary protections. Paychex, Inc., one of the nation's leading providers in [retirement recordkeeping services](#) for businesses, is announcing solutions to assist financial advisors in meeting the new requirements.

According to the DOL, the final rule reflects industry feedback received during the public comment period. Several key changes from the DOL's initial proposal were announced, including:

- Clearly defining activities that constitute non-fiduciary investment education
- Allowing a person or firm to recommend a prospective client hire the advisor or firm without it being considered a fiduciary recommendation
- Allowing asset allocation models and educational materials to reference specific products without it being considered fiduciary advice
- Simplified Best Interest Contract (BIC) exemptions
- A phased implementation period, which mandates the broader definition of fiduciary take effect by April 2017, and most other requirements take effect by January 1, 2018

"Throughout the rule's comment period, Paychex planned for the potential outcomes. With adaptable products and solutions, we're ready to support financial advisors in meeting these new obligations," said Paul Davidson, director of product management at Paychex, responsible for the company's retirement services product line.

Paychex offers the following to assist advisors in meeting the fiduciary rule requirements:

- **Return of Revenue Share.** The Paychex Return of Concessions feature (ROC) supports fee transparency, share class neutrality and fee levelization. With ROC, Paychex does not retain any form of revenue-sharing payments or "concessions" that investment companies routinely pay to 401(k) plan recordkeepers or third-party administrators. Instead, these concessions are returned to participant accounts.
- **Investment Oversight Options.** Paychex is providing choices that help financial advisors mitigate the risk of investment selection and monitoring, including 3(38) options that provide third-party selection and oversight of plan investments, and coming this fall, 3(21) options that provide fiduciary oversight of investments while offering more flexibility to choose investments within a smaller set of funds that are consistent with the fiduciary's investment strategy.

- **Level Fee Payments to Investment Advisors.** Paychex is working closely with its Broker Dealer partners to verify that all plans pay equal advisor compensation on all plan investments by the date set forth by the DOL. We have and will continue to put controls in place to assist advisors in complying with Broker Dealer requirements.

For more information on Paychex services designed for financial advisors and their clients, visit [www.paychex.com/advisors](http://www.paychex.com/advisors). The site offers timely updates on industry news and provides a single point of access for advisors to log into their Paychex plan accounts, as well as access to calculators, resources, and other support information.

### **About Paychex Retirement Services**

Paychex, Inc. is a leading provider of integrated human capital management solutions, including a full suite of retirement services designed to meet the needs of businesses of all sizes. In addition to extensive options for plan sponsors, Paychex Retirement Services also works with financial advisors to help grow retirement plan business through a dedicated team of wholesalers, sales representatives, and advisor support experts.

### **About Paychex**

Paychex, Inc. (NASDAQ: PAYX) is a leading provider of integrated human capital management solutions for payroll, HR, retirement, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 40 years of industry expertise, Paychex serves approximately 590,000 payroll clients across 100 locations and pays one out of every 15 American private sector employees. Learn more about Paychex by visiting [www.paychex.com](http://www.paychex.com), and stay connected on [Twitter](#) and [LinkedIn](#).

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