

Department of Labor – Fiduciary and Impartial Conduct Standards Rules — Effective 2/1/22

84-24 Disclosure Form Available for Retirement Plan Sales

Revised Financial Needs Analysis Form —Required 2/1/22

The non-enforcement provisions of the Fiduciary and Impartial Conduct Standard Rules (the “Rules”) expired on January 31, 2022. Please review the information below regarding your responsibilities when selling products held in qualified plans.

DOL Fiduciary Rule Compliance Checklist — Effective 2/1/22

- For sales to qualified plans, include the PTE 84-24 Disclosure form.
- After agent and client signatures, leave the Disclosure form with the client and retain a copy for your files – DO NOT SUBMIT TO EQUITRUST.
- Use the revised Financial Needs Analysis – ET-2506(01-22). (California: ET-2506CA; Florida: ET-2506FL; Massachusetts: ET-2506MA)
- The 01-22 version of the FNA includes an attestation to confirm that the Disclosure form was provided to the client.

What Makes You A Fiduciary?

The Department of Labor’s most recent guidance established a five-part test to determine if a recommendation with respect to assets of a retirement plan or IRA is fiduciary advice. A person is Pertain to the purchase, sale or value of securities or other property for a fee;

1. Are provided on a regular basis;
2. Are pursuant to a mutual understanding;
3. Are the primary basis for the investment decision;
4. Are individualized.

In other words, insurance agents selling annuity contracts to retirement plans or IRAs are likely fiduciaries under the five-part test!

So I’m A Fiduciary....Now What?

Because you are deemed to be a fiduciary, you are obligated to adhere to Impartial Conduct Standards. These Standards generally are intended to protect consumers and require financial professionals to act in the best interests of the customer, including care, skill, and loyalty. Impartial Conduct Standards require that you make no misleading statements and all compensation paid to you are reasonable. In addition to the Impartial Conduct Standards, under the Rules, you are prohibited from receiving compensation related to your recommendation for a purchase within a retirement plan or IRA unless you can rely on an exemption. EquiTrust believes the best way for agents to receive compensation of our products is for agents to use the Prohibited Transaction Exemption 84-24. Under PTE 84-24, financial professionals receiving compensation for sales within retirement plans or IRAs are required to disclose information

related to your relationship with EquiTrust, any potential conflicts of interest and the commission you will receive. This information should be disclosed on a PTE 84-24 Disclosure form for every sale to an IRA.

How Is EquiTrust Helping You Meet Your Obligations?

Compliance with the Rules is *your responsibility*. To ensure you are meeting your obligations and demonstrate you are meeting your fiduciary duties, you must develop processes and procedures in accordance with the Rules. The EquiTrust Agent Gateway website has tools to help you. Under the Compliance and Suitability tab, you will find the “DOL Fiduciary Rule” drop-down menu. Within this menu, you will find the PTE 84-24 Disclosure form, training materials, and links to other useful information.

Starting 2/1/22, the 84-24 Disclosure form is required to be acknowledged and signed by the client and agent for every sale within a retirement plan or IRA, and the original left with the customer. EquiTrust does not require this form to be submitted or included with a product application, but you must keep all copies of client-signed 84-24 Disclosure forms for your records. Additionally, as part of every sale, you will be required to attest that you have provided the 84-24 Disclosure form to your customer and that you have complied with and satisfied the requirements of PTE 84-24. This attestation is new and has been added to the Financial Needs Analysis (Suitability) form.

For sales before the 1/31/22 expiration of the DOL’s non-enforcement policy, the Financial Needs Analysis form (ET-2506) provided the necessary disclosure.

Summary of steps:

1. Is this qualified money? If yes, you are acting as a fiduciary under the Rules.
2. As a fiduciary, you must disclose to your client your relationship to EquiTrust, any conflicts of interest, and any commission received.
3. Complete your own PTE 84-24 Disclosure form or other exemption form and request client signature. A generic PTE 84-24 Disclosure form is available on the EquiTrust Agent Gateway website.
4. Give signed Disclosure to your client and retain a copy of the Form in your files. Do not send the form to EquiTrust.
5. Submit your business to EquiTrust.

If you have questions related to the Department of Labor Rules, the Impartial Conduct Standards, or your duties related to 84-24, please contact your IMO or the EquiTrust Sales Support team.