



May 31, 2019



SEC Expected to Finalize Standard of Conduct Rule on June 5

The SEC will hold an open hearing on June 5th, where the Commission is expected to vote to finalize their standard of conduct proposal for broker-dealers and advisors. The SEC initially proposed the rule in April of 2018, and it consists of three parts:

- Registered Best Interest: An enhanced standard for broker-dealers and registered reps.

- Registered Investment Advisors: Interpretive guidance on the fiduciary duty applicable to RIAs.
- Form CRS: A required disclosure form to be given to retail investors by brokers and advisors.

For a detailed summary of the SEC proposal – see [WR Newswire 18.04.27](#)

For a discussion of the rule and AALU meetings with the SEC – listen to our December 2018 [webinar](#) with AALU counsel Brad Campbell and Bridget McNamara, CEO of M Wealth Solutions

AALU provided [written comments](#) on the proposed rule and met several times with SEC Commissioners to discuss the proposal—including a meeting with Chairman Clayton during Transform a few weeks ago. We have had productive discussions with the SEC about the importance of preserving commission-based business models as well as product choice and access to professional financial advice. It is our understanding that while there will be heightened disclosure and mitigation standards for broker-dealers and registered reps, it will respect these key principles.

We will be providing a detailed summary of the final rule, and what it means for producers, shortly after it is final.

For any questions, please contact [David Hollingsworth](#) (202-742-4589, hollingsworth@aalu.org)

Democratic Debates to Refine Overwhelming Field before Primaries

At the end of June, Democrats will begin the process of judging a crowded and diverse field of Presidential hopefuls to take the party's nomination. The first debates of this election season will be held on June 26 and 27 in Miami, Florida. With over 23

candidates vying for the party's nomination, the debates will be something of a refining process for both the Democratic National Committee (DNC) and Democratic voters alike.

The DNC is working hard to manage the sprawling field of candidates, drawing lessons from Republicans' experience in 2016.

[Learn more about the process](#)

Ambassadors in Action – Congressman Schweikert tours MassMutual Office in Phoenix

Employing over 500 people, MassMutual's office in Phoenix is a hub in the region. AALU Ambassador Jeff Dollarhide, in partnership with AALU and MassMutual, hosted Congressman David Schweikert (R-AZ) for a tour of this state-of-the art complex followed by a group discussion over lunch. The Congressman shared his thoughts on a wide range of subject from retirement policy to Social Security, to economic development and wage growth in Arizona. The Congressman was effusive about the important work done by AALU members and the MassMutual team, making it clear that Jeff has made an impact articulating the valuable service we provide to families and communities.



[Read more here](#)

Interested in building a relationship with your Member of Congress? Contact [Josh Caron](#) (caron@aalu.org).

From Producer to Politician with Representative Brad Schneider (D-IL)

AALU Ambassador Larry Herman hosted an event for his close friend, Congressman Brad Schneider in Northfield, IL. Larry and the Congressman have known each other for years and the Congressman was happy to join a group of Chicago locals for dinner while back

home for the House's Memorial Day work period. As a former producer, Congressman Schneider has actually walked in your shoes, offering a unique perspective on how to navigate Washington, D.C.



[Read more](#)

SECURE Act Passes the House

Last Thursday, the House handily passed the SECURE Act by a vote of [417-3](#). The SECURE Act will make it easier for employers to offer access to retirement plans, help workers participate and save more in such plans, and encourage the use of lifetime income products in employer-sponsored retirement plans.

Following passage in the House, Senate Majority Leader Mitch McConnell (R-KY) offered to move the bill through unanimous consent. However, the move was held up by Sen. Ted Cruz (R-TX), who objected to the removal of a provision that would have allowed 529 account funds to be used for homeschooling expenses. AALU is working with ACLI and NAIFA as well as other coalition members to pass the bill in the Senate this summer.

Similarities	SECURE Act – H.R. 1994	RESA – S.972
<ul style="list-style-type: none"> • Open Multiple Employer Plans • Increased tax credit for small employer plan startup costs • New autoenrollment plan tax credit • Annuity Selection Safe Harbor • Lifetime Income Disclosure • Lifetime income portability • Repeal max IRA contribution age 	<ul style="list-style-type: none"> • Required Minimum Distributions begin at 72 • Raises the cap on matching contributions for autoenrollment safe harbor plans to 15% after the first year • Requires Stretch IRAs to distribute within 10 years • Opens plans to long-term, part-time employees • Makes changes to the use of 529 account funds 	<ul style="list-style-type: none"> • Removes the cap on matching contributions for autoenrollment safe harbor plans after the first year • Requires Stretch IRA balances exceeding \$400,000 for a designated beneficiary to distribute within 5 years • Does not address the use of 529 account funds

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