DOL Will Not Enforce Final Fiduciary Rule After Fifth Circuit Vacates the Rule

March 20, 2018

The U.S. Court of Appeals for the Fifth Circuit (whose jurisdiction includes Texas, Louisiana, and Mississippi) vacated the entire final Fiduciary Rule that was issued by the DOL in April 2016. The Fifth Circuit held that the definition of ?ÃÂ£fiduciary?ÃÂ¥ in the final Fiduciary Rule conflicts with the plain text of ERISA and the common law definition of fiduciary. The Fifth Circuit further held that the DOL overstepped its authority in applying ERISA?ÃÃs fiduciary standards to individual retirement accounts and that the DOL?ÃÃs interpretations fail the reasonableness test under the standard set out in *Chevron U.S.A., Inc. v. NRDC, Inc.*, 467 U.S. 837 (1984). In response to the Fifth Circuit?ÃÃs decision, the DOL announced that it will not be enforcing the rule at this time. *Chamber of Commerce of the USA v. U.S. Dep?ÃÃt of Labor*, No. 17-10238 (5th Cir. Mar. 15, 2018).