FOR IMMEDIATE RELEASE:  
June 30, 2016

CONTACT:  
Paris Ervin  
217.524.5749
Greg Rivara  
312.814.1901

Treasurer Frerichs Joins Labor Secretary Perez to Promote New Consumer Protection Rule
Rule to Protect Investors from Conflict of Interest from Financial Advisors

CHICAGO - Illinois Treasurer Michael Frerichs today joined U.S. Labor Secretary Thomas Perez at the Center for Economic Progress in the West Loop to discuss the impact of the new Department of Labor conflict of interest rule. The new rule requires investment advisors to be more transparent in the investment advice provided to clients.

“Millions of Americans receive advice from financial advisors on their retirement, but some advice benefits the advisor more than the worker,” said Treasurer Frerichs. People across Illinois – and this country – are struggling to save for their retirement. These everyday citizens trust their advisors, and by enacting this new rule, the Department of Labor has taken a bold step forward in protecting residents in Illinois and across the country from questionable industry practices.”

Prior to the release of the new fiduciary rule, many independent broker-dealers were not required to give advice that was in the best interests of their clients, nor disclose any fees that they may benefit from as a result of guiding their clients to specific investments. The new rule requires most financial advisors to provide their clients unbiased investment advice, or disclose when decisions may not be in the best interest of the client or that investment strategy may benefit the advisor.

“America’s workers and their families deserve and expect retirement investment advice that is in their best-interests,” said Secretary of Labor Thomas E. Perez. “It is important that people understand the protections that our new rule puts into place, and I am pleased to have the opportunity to get the word out here in Illinois.”

The new rule is expected to positively affect millions of Americans saving for their retirement. As the Chairman of the Illinois Secure Choice Board, Illinois’ automatic retirement savings program, and a member of the Illinois State Board of Investments, Frerichs fully supports this new initiative that will bring much needed consumer protection provisions to the financial advisor industry.

-MORE-
About the Illinois Treasurer
The Illinois Treasurer is the state’s chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state’s chief investment officer, he actively manages approximately $25 billion. The portfolio includes $13 billion in state funds, $7 billion in college savings plans and $5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns $28 to the state for every $1 spent in operations. The treasurer’s office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

-END-