



REGULATION

Fiduciary Rule Proponent Ali Khawar Announces DOL Departure

Along with EBSA Head Lisa Gomez, Khawar spearheaded DOL efforts to implement the latest iteration of the investment advice fiduciary rulemaking package, officially called the Retirement Security Rule.



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Ali Khawar will leave the Department of Labor’s Employee Benefits Security Administration (EBSA) when President Trump is inaugurated, the agency confirmed on Friday.

“As an appointee of President Biden, Ali Khawar will end his time as EBSA’s Principal Deputy Assistant Secretary, as well as his service at the U.S. Department of Labor on January 20, 2025,” a DOL spokesperson said.

Khawar was sworn in on January 20, 2021. In March of the same year, President Biden named him Acting Assistant Secretary, a title he held until September 2022, when EBSA Assistant Secretary Lisa Gomez was finally confirmed after a lengthy nomination and confirmation process.

Along with Gomez, Khawar spearheaded DOL efforts to implement the latest iteration of the investment advice fiduciary rulemaking package, officially called the *Retirement Security Rule*.

“Whether you are a fiduciary has tremendous implications under the law for your obligations to [retirement investors],” Khawar [told attendees at the CFP Board’s 2024 Connections Conference](#) in Washington, D.C., in early October. “In the long-term, we are not in a stable situation.”

Noting that policies in place are too complicated for the average American, he said the “onus is on those customers to know the regulatory regime and its consequences” if the rule is blocked, and “that doesn’t seem like a stable resting point from a regulatory perspective.”

The rule was finalized in April and set to go into effect on September 23, but its implementation was put on hold in late July as the result of a lawsuit filed by the insurance industry-

backed Federation of Americans for Consumer Choice (FACC), as well as James Holloway, James Johnson, TX Titan Group, ProVision Brokerage, and V. Eric Couch. It named the DOL and Acting Secretary Julie Su as defendants.

In ordering the stay, United States District Court Judge Jeremy D. Kernodle explained that “the 2024 Fiduciary Rule suffers from many of the same problems” found in the version vacated by the Fifth Circuit in 2018.

Plaintiffs argued that the new rule violated the Fifth Circuit Court of Appeals’ 2018 decision and that it was too broad, American Retirement Association Chief Legal Officer Allison Wielobob explained.

“The case’s various moving parts were ‘legal jujitsu,’” Wielobob said. “The DOL replied to the complaint, refuting the Federation, and many of us presumed the court would deal with the substance of the case sometime down the road. However, the plaintiffs then filed a separate motion that asked the court to freeze the effective date of September 23. The judge issued a lengthy opinion saying they met the legal standard for doing that.”

The DOL appealed the stay just three days before the scheduled implementation date, but it is now unlikely that a Republican-controlled executive branch will continue with the effort.

“If Republicans win in November, this is dead in the water, and they will stop the appeals process,” Wagner Law Group’s Tom Clark at the NAPA D.C. Fly-In Forum in Washington in July.

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