

Greetings & a warm welcome to this week's edition of 401k Real Talk and a Happy Thanksgiving to you and yours. This is Fred Barstein contributing editor at WealthManagement.com's RPA omnichannel and CEO at TRAU, TPSU & 401kTV - I review all of the past week's stories and select the most important and interesting ones providing open honest and candid discussion you will not get anywhere else. So let's get real!

The DOL periodically issues guidance like it did with TDFs in 2013 and more recently cyber security. Now it has released a report entitled: "[Artificial Intelligence and Worker Well-being: Principles and Best Practices for Developers and Employers.](#)"

While aimed generally at workers, parts are relevant to plan sponsors and their partners covering:

Ethical AI & Financial Decision Making: how AI should be transparent & free from bias being tested and monitored periodically.

Empowering Participants: providing advice @ scale facilitating one-on-one meetings with advisors, not just automating processes.

Transparency & Trust: communicating how and when AI is to be deployed.

Because the question is not whether AI will have a major impact on DC plans, participants and their partners, it is how and when.

Though the [DOL claimed that they are allowed to share data with plaintiff's attorneys](#), Virginia Fox, Chair of the House Committee on Education and Workforce, called on the office of the Inspector General to look further into the practice asking whether it is appropriate.

Information gleaned from an EBSA investigation was shared involving a case of alleged mismanagement of an ESOP.

Though it might be appropriate for an agency to help the private sector to pursue wrongdoings if they do not have the resources, one question is whether the information is being shared equally with all parties.

Under SECURE 2.0, the [DOL is required to start collecting data for their lost & found database](#) by the end of the year but the entire process has been fraught with issues.

First, it was assumed that other agencies like the IRS would share information like it does with the SSA which has not happened.

Secondly, the private sector balked at the scope of information that was initially requested resulting in just the name and SSN of participants 65 years or older as well as the plan administrator's contact information.

With people changing jobs 12-13 times over the course of their careers, providing information to allow them to aggregate assets not just in DC and DB plans but also IRAs is critical. Perhaps a private solution like the Portability Service Network will help along with the DOL's auto portability rules.

There are currently 40 national record keepers and hundreds of local ones - firms like OneAmerica that do not have scale or a unique distribution or service model are likely to be sold or exit the business.

Though there is a flurry of activity after a sale is announced, after integration, the new record keeper's service can suffer as they may have to cut costs while struggling to train service people on a new system all of which is an opportunity for experienced RPAs.

Read my recent [WealthManagement.com column](#) about how savvy RPAs are winning new plans from advisors not able or willing to step up after their client's provider is acquired and how RPA consolidation may come into play.

My [recent LinkedIn poll](#) stated "Advisor Managed Accounts create significant conflicts of interest for advisors that are paid extra for that service."

Almost 2/3s of you strongly agreed or agreed with less than 10% strongly disagreeing.

So those were the most important stories from the past week. I listed a few others I thought were worth reading covering:

- [Pontera, Oppenheimer partner to enable their advisors to manage clients' 401\(k\)s](#)
- [Texas governor directs all state agencies to divest from China](#)
- [End of year tasks for 401\(k\) plans](#)
- [NAGDA's guide to governmental DC plans](#)

Please let me know if I missed anything or if you would like to comment. Otherwise I look forward to speaking to you next week on 401k Real Talk.