

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

Rather than address the issues in the weak July jobs report and the dramatic reduction of May and June numbers, [Trump responded by firing the BLS commissioner](#) claiming, without evidence, that the jobs #s were fake. It's like firing the weatherman because you don't like the weather.

Though the July report of 73,000 new jobs, almost all from healthcare and social assistance, was bad and below expectations, the downward revision of the previous 2 months by 258,000 jobs was worse and the most since 1979 casting serious doubts on Trump's economic policies.

The firing will cast further doubt on BLS #s going forward which is worse than the recent anemic job growth

resulting in uncertainty and employers reluctant to hire bracing for the effects of increased tariffs. Will the uncertainty cause employers to scale back on benefits and slow decision making? It certainly means that recruiting will not be a reason to enhance retirement plans though retention still might.

As if retirement income adoption by DC plans wasn't slow enough, the [DOL is expected to repeal its annuity safe harbor regulation](#) effective 9/2 promulgated in 2008 after the 2006 PPA. Plans can still use the statutory safe harbor in SECURE 1.0 and the DOL may just be looking to issue new regulations due to insufficient guidance on the use of annuities by DC plans.

The DOL issued an [RFI for PEPs](#) seeking guidance from OMB and the DC industry on ways to increase their promulgation and further limit liability for SMBs while lowering costs.

The DOL is seeking comments on the fiduciary process adopting employers use to select and monitor PPPs who may in turn hire a 338 while seeking clarification on the

roles and responsibilities of each providing tips on evaluating PPPs.

They may also issue safe harbor options for SMBs and PTEs for PPPs. Much more to come.

As the Department of Labor prepares its report to Congress on the state of Pooled Employer Plans, the question is whether PEPs are becoming like the wild west. With 557 PEPs and 176 PPPs, it seems like a lot yet there are 806,000 single DC plans.

Read my recent [Wealthmanagement.com/RPA column](https://www.wealthmanagement.com/rpa-column) on the state of PEPs and PPPs and what are the benefits and issues as well as how to evaluate them.

Last but not least, [this week's LinkedIn poll](#) asked: The % of private market investments in TDFs and managed account in 401k and 403b plans in the next 5 years will be? 68% said <10% while 12% think more than 25%.

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

- [LPL closes on Commonwealth deal, expecting 90% retention](#)
- [Providers lean on tech to lower costs](#)
- [Fiduciary issues with AI and ERISA compliance](#)
- [New lawsuit alleges breach due to use of managed accounts](#)
- [Professor Benartzi's provocative WSJ column, *Why So Many People Get Financial Advice That Is Wrong For Them*](#)

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.

Look for 2 exciting webinars this week including:

[DCIIA's 8/7 1:00 ET Webinar on Recordkeepers' Efficient Frontier](#)

And [401kCafe 8/6 at Noon ET with a plan sponsor who just completed an advisor RFP](#)