



October 10, 2016

Shelly Schueller, Director
Wisconsin Deferred Compensation Program
Department of Employee Trust Funds
801 W. Badger Road
P.O. Box 7931
Madison, WI 53707-7931

Subject: DOL Fiduciary Rule

Dear Shelly:

The Empower Retirement/Great-West Financial® Fiduciary Rule working group is continuing its analysis and implementation of the DOL fiduciary conflict of interest rule. I wanted to share the information below, which provides a high-level overview of the working group's latest update and what to expect going forward.

Fiduciary status regarding participant interactions – We've looked at how our customer-facing associates help participants, and – in certain situations – we're considering operating as a fiduciary under the Best Interest Contract exemption – or BIC. The Best Interest Contract requires fiduciaries to act in the best interest of participants and outlines what it means to be a fiduciary, our compensation and the fees paid by the participants. For example, we will likely operate as a fiduciary under the BIC where we help participants roll over a distribution, roll assets into their Empower Retirement plan and assist with making investment decisions, etc. We see this as an expansion of the participant services we offer today. However, most of our other functions will likely continue business as usual as nonfiduciary educational services.

Controls and compliance with the rule and the BIC – As noted above, in certain areas, we're planning to operate as a fiduciary and comply with the BIC. We're also taking steps to ensure nonfiduciary teams don't mistakenly offer fiduciary advice. And we'll continue to review our service teams. If appropriate, we'll change a group to a fiduciary role.

Working with advisors and intermediaries – Empower/Great-West is taking steps to help intermediaries identify where fiduciary status may exist. We're also helping advisors who may change their compensation model and payment preferences. And we're working with industry groups and business partners to find out what data feeds we may need to support our partners and establish a common format.

Disclosures – We're developing disclosure documents related to the BIC. We're developing documents to enable us to capture sponsor certification of their plan assets and fiduciary role (in the

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<\$50M segment) and their preferences to allow their plan advisors to act as fiduciaries for participants. We're also reviewing where we need to update website disclosures. And we're reviewing all marketing materials, participant communications, forms, disclosures and web content.

Timeline – We're on track to meet the April 10, 2017 and January 1, 2018 deadlines.

Service offering – The fiduciary rule requires modifying our service model. However, we don't expect a decrease in services. In fact, we're committed to providing best-in-class service to our clients and business partners. Meanwhile, we're reviewing how our service model may change. We plan to have those details by first quarter and will share them with you.

Looking ahead – Once the fiduciary rule is implemented, we expect continued refinements as the marketplace adapts and the DOL provides more guidance. This rule will create changes among all of us who work together to offer and deliver service to plans and participants. We'll continue discussions with you to ensure you're comfortable with our plan and know we'll provide the support you need to address the changes. Most importantly, we remain committed to our mission – helping people replace – for life – the income they made while working.

Sincerely,



Emily S. Lockwood
State Director

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