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Tim Hayes Discusses the Transition to Fee-Based and Index Funds and How It Affects the Financial Advice Industry

BOSTON, MA, UNITED STATES, June 4, 2024 /EINPresswire.com/ -- With the financial advice industry undergoing a seismic shift in the past decade, we're now entering an era that focuses on a fee-based model and minimizes conflicts of interest through impartial financial advice.

In a new article, Financial Advisor Tim Hayes looks into how the financial advice industry has changed in the last ten years. He discusses how the Obama administration introduced the Fiduciary Rule, which was designed to ensure that financial professionals who offer advice on retirement plans were fiduciaries. This Rule intended to mitigate or remove any conflict of interest and prompted many financial companies and professionals to shift to a fee-only compensation model.

The court overturned the Obama administration's 2015 Fiduciary Rule, but the following administration decided to implement most of it. This year, the Biden administration rolled out a new version of the Fiduciary Rule. This new Rule is built on the work of the two previous administrations and incorporates the Best Interest Standard proclaimed by the SEC.

The new Fiduciary Rule will also require non-fiduciary financial professionals to act in their clients' best interest. Furthermore, the new rule requires insurance companies to eliminate potential conflicts of interest.

Hayes goes on to discuss other key topics, which include the rise of index funds, the impact of the Fiduciary Rule on index fund growth, and the possible implications of additional advisor fees.

"Almost ten years into this transition, my guess is there are fewer IRA rollovers from 401ks into variable annuities. If the Biden administration is successful, the same will hold for fixed annuities," shares Hayes.

About Tim Hayes: Tim Hayes is an independent financial advisor who is registered under the 1934 Securities Act and the 1940 Advisors Act. This allows him to operate either fee or commission accounts. He is now affiliated with Cambridge Investment Research Advisors, Inc. and is registered with Cambridge Investment Research, Inc. He previously started a financial services company that was bought out by MetLife. After the acquisition, Tim worked at MetLife

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