



CERTIFIED RETIREMENT COUNSELOR® (CRC®) CODE OF ETHICS

This CODE OF ETHICS has been adopted by the InFRE Board of Standards and Policy Development of the International Foundation for Retirement Education (InFRE). It outlines principles of conduct for all persons who are granted the *Certified Retirement Counselor® (CRC®)* certification from InFRE. By accepting the CODE, a Certificant also agrees to follow within his or her professional activities both traditional ethical principles and the letter and spirit of the state and federal laws that regulate retirement advice, records, and transactions.

This CODE is both an indication and affirmation of the increasing importance of retirement planning, education, administration, and advice. It recognizes the responsibility of members of the profession to act honestly and with integrity in their conduct of business affairs; both towards particular plan participants, and the public at large. The true value of this CODE OF ETHICS is not in the specific and necessarily evolving principles, but in the overall purpose and spirit with which it is adopted and maintained.

Adherence to the CODE is mandatory for all CRC® Certificants who are registered with InFRE and who are actively involved in the practice of retirement planning. The tenants of the CODE are applicable while performing any professional activity in which the knowledge and integrity of the certification marks are (or are implied to be) used in the performance of professional retirement responsibilities. Abiding by this CODE will serve to assure public confidence in the integrity and service offered by those professionals who have earned the *Certified Retirement Counselor®* certification.

Principles of Conduct

<i>Principle #1</i>	<i>Comply with the letter and spirit of all federal and state laws that regulate advice, services, records, and transactions applicable to retirement planning or retirement administration.</i>
<i>Principle #2</i>	<i>Act always in the best interest of the client or individual retirement plan participant for whom services are performed; and, when performing services for a retirement plan as a whole, act in the best interest of the plan and all persons who have rights under the plan.</i>
<i>Principle #3</i>	<i>Never disclose confidential information about the finances or status of a client or particular plan participant unless authorized by the participant or by law.</i>
<i>Principle #4</i>	<i>Be truthful and forthright in all communications relating to retirement services and transactions.</i>
<i>Principle #5</i>	<i>Perform all retirement services competently, diligently, and according to the highest professional standard; the Certificant will maintain the necessary specific knowledge and expertise to do so, and decline any activity that cannot be competently performed.</i>
<i>Principle #6</i>	<i>Conduct activities relating to the retirement profession under the highest standards of personal and professional integrity, and in ways that reflect creditably on the profession.</i>
<i>Principle #7</i>	<i>Disclose to all persons for whom services are provided the Certificant's source of compensation, the identity of any person or entities paying the compensation, and any material fact about the compensation that is necessary to understand potential adverse interest.</i>
<i>Principle #8</i>	<i>Supply material information relating to the transaction or service to the person for whom services are performed (including information that is not requested), if such information is generally recognized as necessary to any informed decision.</i>

Commentary to the Eight CRC®
Principles of Ethics

One	<i>The field of retirement services is affected by a broad range of law, and includes such disciplines as tax, securities and labor relations. The Certificant acknowledges that adherence to such laws is an important part of all professional obligations.</i>
Two	<i>This principle requires the Certificant to act in the best interests of a plan participant whose interest is affected by the performance of services. Thus, if Individual X seeks explanation of two alternative benefit formulas from Counselor Y, the counselor is obligated to present information on both, even if one such formula is more expensive for the counselor's employer, or more troublesome for the Certificant to process or explain. This principle also recognizes that many persons in the field of retirement counseling and administration perform services that do not relate to a specific participant transaction, and yet advance mutual interests. This is permissible under the Principle I. Principle 1 covers adherence to specific statutes relating to conflict of interest, fiduciary responsibility, or investment disclosure; disclosure of possible adverse Principle 7 covers interest from receipt of compensation for service.</i>
Three	<i>This principle prohibits use or transfer of particular information for personal gain. Examples include: discussion about an employee's designated beneficiary, or sale of information about an individual's precise account balance to a newspaper or third party provider. Disclosures compelled through subpoena, other provisions of law, or through processing of routine plan transactions, are allowed. A Certificate Holder employed by a plan sponsor may, of course, disclose plan information when directed to do so by the individual.</i>
Four	<i>This fundamental principle needs no further explanation.</i>
Five	<i>The duty of competence and diligence is a routine standard for trustees and professional advisors, and the Code makes it mandatory for Certificants. This section also emphasizes the obligation of the Certificant to know when a given action is outside the scope of competence. This might include, for example, calculation by an investment professional of a defined benefit or cash out payment under a complex formula set forth in a plan. Finally, the Certificant is expected to take steps to keep his or her skills and/or competence up to date as necessary regardless of whether the number of required continuing education hours have been met.</i>
Six	<i>This principle promotes a standard of conduct that looks to something more than minimal requirements. Promotions of services or particular transactions through unrealistic fear or greed are both prohibited. The principle also requires professionals to work cooperatively with other entities or persons involved with a plan or its participants, so that particular transactions may proceed accurately, efficiently, and according to the parties' intentions.</i>
Seven	<i>This principle works in conjunction with Principles 1 and 4 and imposes an affirmative duty to disclose the relevant business relationships of the Certificant. In many (if not most) cases, the relationship and source of compensation will be obvious: an employer for the manager of the benefits department or a stockbroker earning commissions on a particular recommended transaction, the disclosure of which is governed by the securities laws. Persons hired by a plan or employer to provide particular retirement advice, or to encourage a particular retirement transaction such as enrollment in a 401(k) plan, are required under this principle to disclose the identity of their employer, and whether their compensation comes from multiple sources, such as the employer and/or one of the investment providers under the plan. Persons providing retirement planning service outside the direct scope of the employment context (such as advising on a plan distribution or roll-over to another financial entity) are required under this principle to disclose any contingent compensation, such as commissions or fees from investment providers that will receive the distributed funds. The Board of Governors believes that the precise form of any such disclosure is best left to future development within the professions, consistent with existing regulatory and fiduciary requirements, the requirement that Certificants be affirmatively honest and candid, and their obligation to put the best interests of the plan participant first (Principle 2)</i>
Eight	<i>An example of this obligation would be a benefits administrator providing an existing distribution options brochure, or current investment prospectus, to a participant, whether or not it had been asked for specifically.</i>