

## Crypto Gets a Boost

Do you think cryptocurrencies belong in corporate retirement plans? The Department of Labor does.

Back in 2022, the DOL released a memorandum that directed 401(k) plan fiduciaries to exercise “extreme care before they consider adding a cryptocurrency option to a 401(k) plan’s investment menu for plan participants.” The rationale at the time was that digital coins were too speculative and volatile to serve a meaningful purpose in tax-qualified retirement plans. There are also significant security risks, since digital assets have been stolen at a rate far greater than stocks and bonds housed at custodians.

Now, as of the end of May, the Department of Labor’s Employee Benefits Security Administration has rescinded that directive, meaning that it’s neutral as to whether qualified plans should, or should not, be including crypto options. A press release accompanying the announcement said that “We’re making it clear that investment decisions should be made by fiduciaries, not DC bureaucrats.”

Does this mean that retirement plans should NOT exercise extreme care about crypto investments now? The investment markets are clearly starting to open up to the idea of having digital assets included in retirement savings. There are already a number of crypto options for IRA plans, including those sponsored by Fidelity, iTrustCapital, Grayscale and a Bitcoin IRA. And currently, Fidelity has included a Bitcoin investment option for employees whose companies use the fund group’s turnkey 401(k) platform. But for now, few observers anticipate a rush for larger retirement plans to put Bitcoin next to index ETFs on their investment menus.

Sources:

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/compliance-assistance-releases/2025-01>

<https://www.planadviser.com/dol-rescinds-2022-cryptocurrency-guidance-401k-plans/>