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White House action to expand multiple employer plans a promising step

Council urges support for similar provision in bipartisan legislation

WASHINGTON, DC - "Retirement saving is, in many ways, the economic engine that drives our nation, generating financial security for millions of Americans and providing trillions of dollars in capital investment," said Lynn Dudley, American Benefits Council senior vice president, global retirement and compensation policy, in response to an executive order issued today by President Trump.

"Today's executive action to expand and improve employer-sponsored retirement plans is a positive step forward. More can and should be done to help employers sponsor plans, including multiple employer plans, and to retain the plans that they are voluntarily sponsoring," Dudley said. "This includes providing solutions for frozen defined benefit pension plans and supporting companies that offer retirement plans for employees across multiple states."

Today's executive order directs the U.S. Department of Labor (DOL) to explore guidance expanding the availability of open multiple employer plans (open MEPs), which allow smaller companies to team up and share administrative costs for their employees. The order also directs the Treasury Department and Internal Revenue Service to review the rules surrounding minimum required distributions from retirement plans and directs Treasury and the DOL to consider ways to improve notice requirements to reduce paperwork and administrative burdens.

The Council recommended expansion of open MEPs as part of its 2014 public policy strategic plan, [A 2020 Vision: Flexibility and the Future of Employee Benefits](#), and supports the Retirement Security for American Workers Act ([H.R. 854/S. 1383](#)) which

would (1) waive the requirement that there be a “nexus” or a preexisting relationship between each employer participating in an open MEP and (2) eliminating the rule that one employer’s failure to meet the criteria necessary to maintain a tax-preferred retirement plan could result in potential disqualification of the entire plan. (This provision is also included in the [Retirement Enhancement and Savings Act \(RESA\) of 2018 \(S. 2526\)](#)).

“We hope that the renewed focus on retirement security results in laws that encourage employers to provide savings plans and help employees share in the prosperity of the American economy,” Dudley said.

As part of the August 22 Bipartisan Policy Center [Funding Our Future](#) program, the Council called on policymakers to follow the Council’s [guiding principles for a national retirement policy](#) and provided a [chart of retirement legislation introduced in a bipartisan basis](#) in the current Congress as well as an updated set of [“Fast Facts” on 401\(k\) plans](#).

For more information, or to arrange an interview with Dudley, contact Jason Hammersla, Council vice president of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council’s members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.