

# PRESIDENT TRUMP ISSUES EXECUTIVE ORDER PROPOSING CHANGES TO RETIREMENT PLANS

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**Practices & Industries**

Employee Benefits

President Trump issued an Executive Order directing that the Department of Labor and the Treasury Department take potential actions in order to make it easier for employers to offer retirement plans and therefore increase retirement benefits for employees. The Executive Order directs the Department of Labor to clarify and expand the situations in which primarily small- and mid-size employers may sponsor or adopt a multiple employer plan. Multiple employer plans (MEP) are plans offered by one or more employers who are not in a controlled group situation. The Department of Labor is directed to clarify when a group or association of employers or other organizations could be an “employer” within the meaning of ERISA. In connection with this, the Secretary of Treasury was directed to consider proposing amendments under which a MEP may continue to satisfy the tax qualification requirements even if one or more employees that sponsor or adopt the MEP fail to take necessary action to meet the qualification requirements.

The Executive Order also directs the Secretary of Labor and Secretary of Treasury to review whether it is possible to make retirement plan disclosures under ERISA and the Internal Revenue Code be more understandable and useful for participants and also to examine whether there are ways of reducing the costs and burdens imposed on employers for the production and distributions of these notices. The Order specifically directs examination of potential broader use of electronic delivery methods as a way of reducing costs and burdens.

Finally, the Secretary of Treasury is directed to review whether it is appropriate to examine the life expectancy and distribution tables required under the minimum distribution rules to determine whether they should be updated to reflect the longer period of time people are currently living and whether such updates should be taken on a more periodic basis. *Executive Order on Strengthening Retirement Security in America*, August 31, 2018 <https://www.whitehouse.gov/presidential-actions/executive-order-strengthening-retirement-security-america/>