



EXECUTIVE ORDER

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STRENGTHENING RETIREMENT SECURITY IN AMERICA

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Policy. It shall be the policy of the Federal Government to expand access to workplace retirement plans for American workers. According to the Bureau of Labor Statistics, 23 percent of all private-sector, full-time workers lack access to a workplace retirement plan. That percentage increases to 34 percent when part-time workers are taken into account. Small businesses are less likely to offer retirement benefits. In 2017, approximately 89 percent of workers at private-sector establishments with 500 or more workers were offered a retirement plan compared to only 53 percent for workers at private-sector establishments with fewer than 100 workers. Enhancing workplace retirement plan coverage is critical to ensuring that American workers will be financially prepared to retire.

Regulatory burdens and complexity can be costly and discourage employers, especially small businesses, from offering workplace retirement plans to their employees. Businesses are sensitive to the overall expense of setting up such plans. A recent survey by the Pew Charitable Trusts found that 71 percent of small- and medium-sized businesses that do not offer retirement plans were deterred from doing so by high costs; 37 percent cited high costs as their main reason for not offering such a plan. Federal agencies should revise or eliminate rules and regulations that impose unnecessary costs

and burdens on businesses, especially small businesses, and that hinder formation of workplace retirement plans.

Expanding access to multiple employer plans (MEPs), under which employees of different private-sector employers may participate in a single retirement plan, is an efficient way to reduce administrative costs of retirement plan establishment and maintenance and would encourage more plan formation and broader availability of workplace retirement plans, especially among small employers.

Similarly, reducing the number and complexity of employee benefit plan notices and disclosures currently required would ease regulatory burdens. The costs and potential liabilities for employers and plan fiduciaries of complying with existing disclosure requirements may discourage plan formation or maintenance. Improving the effectiveness of required notices and disclosures and reducing their cost to employers promote retirement security by expanding access to workplace retirement plans.

Outdated distribution mandates may also reduce plan effectiveness by forcing retirees to make excessively large withdrawals from their accounts -- potentially leaving them with insufficient savings in their later years.

In light of the foregoing it shall, therefore, be the policy of the Federal Government to address these problems and promote retirement security for America's workers.

Sec. 2. Improving Retirement Security. (a) Expanding access to Multiple Employer Plans and Other Retirement Plan Options.

- (i) The Secretary of Labor shall examine policies that would:

(1) clarify and expand the circumstances under which United States employers, especially small and mid-sized businesses, may sponsor or adopt a MEP as a workplace retirement option for their employees, subject to appropriate safeguards; and

(2) increase retirement security for part-time workers, sole proprietors, working owners, and other entrepreneurial workers with non-traditional employer-employee relationships by expanding their access to workplace retirement plans, including MEPs.

(ii) Within 180 days of the date of this order, the Secretary of Labor shall consider, consistent with applicable law and the policy set forth in section 1 of this order, whether to issue a notice of proposed rulemaking, other guidance, or both, that would clarify when a group or association of employers or other appropriate business or organization could be an "employer" within the meaning of section 3(5) of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 1002(5).

(b) Qualification Requirements for Multiple Employer Plans. Within 180 days of the date of this order, the Secretary of the Treasury shall consider proposing amendments to regulations or other guidance, consistent with applicable law and the policy set forth in section 1 of this order, regarding the circumstances under which a MEP may satisfy the tax qualification requirements set forth in the Internal Revenue Code of 1986, including the consequences if one or more employers that sponsored or adopted the plan fails to take one or more actions necessary to meet those requirements. The

Secretary of the Treasury shall consult with the Secretary of Labor in advance of issuing any such proposed guidance, and the Secretary of Labor shall take steps to facilitate the implementation of any guidance, as appropriate and consistent with applicable law.

(c) Improving the Effectiveness of and Reducing the Cost of Furnishing Required Notices and Disclosures. Within 1 year of the date of this order, the Secretary of Labor shall, in consultation with the Secretary of the Treasury, complete a review of actions that could be taken through regulation or guidance, or both, to make retirement plan disclosures required under ERISA and the Internal Revenue Code of 1986 more understandable and useful for participants and beneficiaries, while also reducing the costs and burdens they impose on employers and other plan fiduciaries responsible for their production and distribution. This review shall include an exploration of the potential for broader use of electronic delivery as a way to improve the effectiveness of disclosures and to reduce their associated costs and burdens. If the Secretary of Labor finds that action should be taken, the Secretary shall, in consultation with the Secretary of the Treasury, consider proposing appropriate regulations or guidance, consistent with applicable law and the policy set forth in section 1 of this order.

(d) Updating Life Expectancy and Distribution Period Tables for Purposes of Required Minimum Distribution Rules. Within 180 days of the date of this order, the Secretary of the Treasury shall, consistent with applicable law and the policy set forth in section 1 of this order, examine the life expectancy and distribution period tables in the regulations on required minimum distributions from retirement plans

(67 *Fed. Reg.* 18988) and determine whether they should be updated to reflect current mortality data and whether such updates should be made annually or on another periodic basis.

Sec. 3. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

THE WHITE HOUSE,

August 31, 2018.

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