

MEMO# 31777

May 28, 2019

Joint Trade Group Sends Letter to DOL Regarding E-Delivery Project

[31777]

May 28, 2019 TO: ICI Members
Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: Joint Trade Group Sends Letter to DOL Regarding E-Delivery Project

The Institute, along with seven other trade associations representing plan sponsors and service providers,[\[1\]](#) sent the attached letter to the Department of Labor (DOL) regarding electronic delivery of plan notices and disclosures. The letter urges DOL to expedite and prioritize the publication of proposed regulations that would expand the use of electronic delivery for retirement plan disclosures and notices.

ICI has long advocated for DOL to improve its rules on electronic delivery of ERISA notices. In April 2018, ICI along with the American Retirement Association (ARA), sent a letter to DOL, transmitting a 2018 update to the 2011 white paper, "Delivering ERISA Disclosure for Defined Contribution Plans: Why the Time Has Come to Prefer Electronic Delivery."[\[2\]](#) Both the original white paper and the 2018 update show that compelling reasons exist for shifting the default method to electronic delivery for DC plan participants. After meeting with DOL staff in June 2018 to discuss the benefits of electronic delivery, ICI and ARA sent a follow-up letter to DOL addressing questions raised by DOL in the meeting.[\[3\]](#) In 2017, ICI submitted testimony to the ERISA Advisory Council explaining how electronic delivery can enhance the effectiveness of ERISA Communications.[\[4\]](#)

Executive Order and New Project on DOL Regulatory Agenda

On August 31, 2018, the President issued an Executive Order on Strengthening Retirement Security in America, directing DOL and the Department of Treasury to take various actions related to retirement plans.[\[5\]](#) Regarding plan notice and disclosure requirements, the order directs DOL and Treasury to review (within 1 year) regulatory measures that could improve the effectiveness of retirement plan disclosures and reduce the costs and burdens associated with these requirements. Specifically, this would include exploration of the potential for broader use of electronic delivery. In response to this order, DOL included a new project on its recently released spring 2019 regulatory agenda.[\[6\]](#) According to the agenda, DOL plans to issue a proposed rule by December 2019.

[Attachment](#)

endnotes

[1] The other signatories to the letter include American Bankers Association, American Council of Life Insurers, American Retirement Association, ERISA Industry Committee, Securities Industry and Financial Markets Association, SPARK Institute, and U.S. Chamber of Commerce.

[2] See ICI Memorandum No. 31186, dated May 1, 2018. Available at https://www.ici.org/my_ici/memorandum/memo31186.

[3] See ICI Memorandum No. 31411, dated September 27, 2019. Available at https://www.ici.org/my_ici/memorandum/memo31411.

[4] ICI's letter was submitted in response to the Council's topic, "Mandated Disclosure for Retirement Plans –Enhancing Effectiveness for Participants and Sponsors." See ICI Memorandum No. 30844, dated August 18, 2017. Available at https://www.ici.org/my_ici/memorandum/memo30844. In the letter, ICI also suggested that DOL should find ways to streamline and consolidate existing notices in a way that will focus participants on the key information they need for effective decision making under the plan, while ensuring the availability of more detailed information for further reference, and that DOL should recommend the elimination of redundant and irrelevant notices.

[5] The executive order is available at <https://www.whitehouse.gov/presidential-actions/executive-order-strengthening-retirement-security-america/>.

[6] DOL describes the project, "Improving Effectiveness of and Reducing the Cost of Furnishing Required Notices and Disclosures," as exploring ways to reduce the costs and burdens imposed on employers and other plan fiduciaries responsible for the production and distribution of retirement plan disclosures required under ERISA, as well as ways to make these disclosures more understandable and useful for participants and beneficiaries. The agenda item is available at <https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201904&RIN=1210-AB90>.