

MEMO# 31534

December 21, 2018

ICI Files Comment Letter on DOL Proposal Regarding Association Retirement Plans and Other Multiple Employer Plans

[31534]

December 21, 2018 TO: ICI Members
Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: ICI Files Comment Letter on DOL Proposal Regarding Association Retirement Plans and Other Multiple Employer Plans

ICI submitted the attached comment letter today responding to the Department of Labor's proposed regulation to expand access to multiple employer plans (MEPs).[\[1\]](#) The proposal would clarify the circumstances under which an employer can join a MEP through either a group or association of employers or a professional employer organization (PEO). In our comments, we support expanding access to MEPs, particularly for small employers, and we recommend that the Department go further than the proposal by permitting participation in "open" MEPs sponsored by financial services firms.

Our letter explains why expanding access to MEPs could significantly increase retirement plan coverage and retirement savings adequacy. The letter provides support for the Department's broad authority to construe the meaning of "employer" under section 3(5) of ERISA, and urges the Department to expand the category of persons able to act indirectly in the interest of employers in sponsoring a plan, to include financial services firms. The letter explains why our recommended interpretation would be consistent with other Department positions, illustrates that financial services firms offer unique qualifications that make them ideal candidates to sponsor MEPs, and describes why the proposal as currently drafted is unlikely to have a significant impact on coverage.

Elena Barone Chism
Associate General Counsel - Retirement Policy

[Attachment](#)

endnotes

[1] For a description of the proposal, see ICI Memorandum No. 31451, dated October 23, 2018. Available at: https://www.ici.org/my_ici/memorandum/memo31451

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