

## VIDEO

January 24, 2020

# Focus on Funds: Retirement Savings Options Set to Expand

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## Retirement Savings Options Set to Expand

Congress and the Department of Labor are both throwing new support behind the concept of multiple employer plans (MEPs). In the January 24, 2020, edition of *Focus on Funds*, Elena Barone Chism, ICI associate general counsel for retirement policy, breaks down recent developments and explains what's still on the horizon.

### Transcript

**Stephanie Ortvals-Tibbs, ICI director of media relations:** How could we further expand access to workplace retirement savings plans in America? Well, one answer could be the MEP—the multiple employer plan. ICI, regulators, and legislators have all been taking a look at the MEP, and one of our experts on it is Elena Barone Chism.

**Elena Barone Chism, ICI associate general counsel:** MEP is basically just a single plan in the legal sense that's adopted by more than one employer. They have the advantage of allowing businesses to share some of the costs and compliance burdens associated with offering a retirement plan. And that can be particularly helpful for small businesses.

**Ortvals-Tibbs:** Could you start by breaking down for us what's going on on the regulatory front with the Department of Labor and MEPs?

**Chism:** The Department of Labor has recently finalized a rule that would expand availability of what we call association MEPs or association retirement plans. And these are basically arrangements where the adopting employers share some sort of common relationship, such as being members of a common trade association or members of a local chamber of commerce.

That regulation does not permit what we call open MEPs, which would be arrangements adopted by otherwise unrelated employers and potentially sponsored by a third-party commercial entity such as a financial services firm. The Department of Labor is open to thinking about allowing open MEPs.

**Ortvals-Tibbs:** On the congressional front, what's afoot there?

**Chism:** There's a provision that would allow open MEPs, or pooled employer plans, in the SECURE Act. For open MEPs to really take off and succeed in increasing workplace retirement plan coverage, you need a robust competitive marketplace. It's important for financial services firms to be able to compete.

They know and understand the laws that apply to retirement plans, and they also understand the fiduciary rules. So they have both the necessary expertise and fiduciary capacity to serve that role in the marketplace.

## **Additional Resources**

- [SECURE Act Delivers Major Wins for American Savers](#)
- [ICI Retirement Resource Center](#)
- [Explainer Video: Who Invests in Mutual Funds, and Why?](#)
- [Focus on Funds: Workplace Retirement Plans Are Widely Popular](#)

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