



EDUCATION

# Our Take on US Order to Ease Retirement Regulations

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This year is proving to be an active year for retirement-related legislation, with a mix of new proposals emerging and some familiar ones reappearing, not to mention the handful of modest changes to retirement plans that were enacted as part of February’s Bipartisan Budget Act. On August 31, President Trump signed a new executive order that offers several changes to retirement plans. Here, Franklin Templeton’s Yaqub Ahmed and Drew Carrington, who attended the signing, highlight a few aspects of it.



Franklin Templeton’s Yaqub Ahmed (left)  
and Drew Carrington (right)

On August 31, President Donald Trump signed the “[Executive Order \(EO\) on Strengthening Retirement Security in America](#),” that, among other things, calls for less-restrictive rules for open multiple employer plans (MEPs).

Under current law, employers using MEPs must have some kind of connection, like a common profession. The EO calls for changes that would allow unrelated businesses to join together to offer MEPs to their employees. Previously, that would not have been allowed.

Additionally, the EO directs the US Department of the Treasury to review the rules for calculating required minimum distributions from retirement plans and to work with the Department of Labor to consider ways to reduce paperwork and improve notice requirements.

The public and private sectors have successfully worked in partnership over the last several decades to strengthen our retirement system, which is now at record levels with close to \$30 trillion in assets.<sup>1</sup> We believe employer-sponsored defined contribution plans that provide important protections to the Employee Retirement Income Security Act of 1974 (ERISA) are the most effective way to help US workers and their families reach their retirement goals.

We feel strongly that this Executive Order will be an important step in reducing expenses and regulatory barriers for small business owners and will help expand access to ERISA-protected, employer-sponsored plans for millions of US workers. We are pleased and encouraged by the cross-agency collaboration and the focus of this administration on strengthening retirement security for all Americans.

We also support the provision focused on calculations for required minimum distributions (RMDs) that addresses the increased life expectancy of Americans. In addition, we continue to be supportive of a similar legislative effort, the Retirement Enhancement and Savings Act (RESA), which would also expand access to retirement plans and in-plan income solutions.

As we noted in “Talking Markets” podcasts in [April](#) and [July](#), we’ve seen more focus in Washington on retirement-policy related issues. We are pleased and encouraged by the cross-agency collaboration and the focus of the Trump administration on strengthening retirement security for all Americans.

Stay tuned! In this week’s edition of “Talking Markets,” we will provide a more in-depth analysis on MEPs as well as legislative proposals that could have a major impact on retirement plans.

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<sup>1</sup>. Source: Investment Company Institute, data as of June 2018.