
President Trump Announces Association Retirement Plans; DOL Publishes New ACA Notices

By Charles M. Russman / Sep 10, 2018

It has been a big week for employee benefits issues. First, President Trump signed an executive order asking the Treasury to investigate several aspects of retirement plans for small businesses, including the creation of Association Retirement Plans (ARPs) that could be established by associations for their members. Second, the Department of Labor updated the Affordable Care Act (ACA) marketplace notices to provide more information to employees. These notices are required even when an employer does not provide insurance coverage. Employers that do not provide insurance coverage should begin providing the updated notices immediately.

President Trump Announces Association Retirement Plans

On Friday, August 31, 2018, President Trump signed an executive order about retirement plans. The executive order cited the importance of employer sponsored retirement plans and the low availability at small and some small size businesses as two of the reasons for action.

The biggest component of the executive order was a request to Treasury to consider regulations (or changes to existing regulations) that would create Association Retirement Plans (ARPs). These are plans that could be established by associations (such as chambers of commerce or trade groups) for their member employers to participate in. This would take some of the cost and administrative burden off of the employers, especially small employers who might have trouble covering the costs. ARPs would be a type of multiple employer plan, which already exists. Multiple Employer Plans are retirement plans in which several unrelated employers participate in the same plan. However, according to the Trump Administration the current rules can be complicated and administratively burdensome, keeping some small employers out, when the benefit is so important to their employees. Treasury is to review the existing regulations and determine what can be changed, especially for small businesses, who collectively have a lot of employees (even if each small business has but few) and who are far less likely to offer a 401(k) than bigger businesses. The Treasury, along with the DOL, have been asked to review regulations about notice and administrative requirements to determine where changes can be made to improve employee savings and employer burdens.

The executive order also asked for the required minimum distribution rules to be reviewed to determine whether they can be made more favorable to individuals. Currently, the required minimum distribution rules require most participants in a 401(k) plan to start taking distributions at 70½, even if they do not yet need the money.

DOL Publishes New Affordable Care Act (ACA) Notices

Employers are required to provide employees with notices explaining the ACA Marketplaces, even when the employer does not provide insurance coverage. This notice needs to be provided within 14 days of the employee's hire date. It is also common to provide a copy of the notice with open enrollment materials to ensure employees remain familiar with the notice's information. This notice, which was first released years ago when ACA was first coming into effect has been updated and can be used until May 21, 2020, unless another update is published before then. The biggest difference is that the notice now includes information describing that employees who elect to receive benefits through the ACA Marketplaces may lose coverage from their employer. Here are links to the new notices, which your business should use depends on whether you provide health coverage to employees.

[Model Notice for Employers Who Offer a Health Plan to Some or All Employees](#)

[Model Notice for Employers Who Do Not Offer a Health Plan](#)

If you have questions about multiple employer plans, your retirement plans generally or about ACA compliance, contact a member of our experienced employee benefits team.