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Washington, DC, September 22, 2016—ICI President and CEO Paul Schott Stevens today issued the following statement on the US Senate Committee on Finance’s approval of a provision allowing Open Multiple Employer Plans (MEPs) to reduce the costs and administrative burden on small employers that wish to offer their workers a retirement plan:

“ICI strongly supports the Open MEPs proposal and applauds the Finance Committee for approving it. Expanding MEPs will help lessen administrative burdens and compliance costs so that more American workers can gain access to retirement savings plans at work. The current restrictions governing MEPs are simply outdated for today’s economy, and passage of this provision is a positive step for employees and employers alike.

“This common-sense provision builds on the strengths of the current strong, voluntary, employment-based retirement system at a national level. It is far preferable to state-based initiatives that could fragment our retirement system, lack vital investor protections, and could leave taxpayers liable for future costs.

“We thank Chairman Hatch and Ranking Member Wyden for their leadership on this and on other provisions of the package that make it easier for employers to offer plans and for Americans to prepare for retirement.”

Background: Open MEPs would allow unrelated employers to join together to sponsor a defined contribution plan. The provision would eliminate a “commonality of interest” requirement that currently prevents many employers from participating in a MEP and taking advantage of opportunities for the streamlined compliance and lowered administrative burdens and costs associated with those plans. The provision passed as part of the Retirement Enhancement and Savings Act of 2016, which passed the Committee 26-0.