

ICI Applauds Executive Order to Boost Retirement Savings

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Encouraging MEPs, Updating RMD Rules Can Enhance Coverage and Flexibility

Washington, DC; August 31, 2018—President Donald Trump today issued an Executive Order directing his administration to consider several actions that could enhance retirement security for working Americans. The measures include allowing greater use of multiple employer plans (MEPs, also known as *association retirement plans*), which allow businesses to band together in forming 401(k) or similar retirement savings plans. The administration will also consider updating rules to allow savers to take smaller required minimum distributions (RMDs) from 401(k) plans, similar employer plans, and individual retirement accounts (IRAs). The Internal Revenue Code requires savers to start taking RMDs, calculated on the basis of life expectancy, at age 70½.

Investment Company Institute President and CEO Paul Schott Stevens issued the following statement:

“The right way to improve our retirement system is to build on its strengths, and today’s Executive Order will do just that. ICI, along with a bipartisan coalition in Congress, has long supported legislative and regulatory changes that would allow for open multiple employer plans. These plans would help employers, particularly small businesses, reduce the burdens of starting and providing retirement plans for their employees.

“ICI also supports updating the calculations for required minimum distributions (RMDs) to reflect continually improving life expectancy. We welcome, and are sure that many retirees will welcome, the added flexibility that the administration is considering.”

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