



September 29, 2025

Office of Regulations and Interpretations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW
Room N-5655
Washington, DC 20210

Re: Guidance and Request for Information – *Pooled Employer Plans: Big Plans for Small Businesses* (RIN 1210-AC10)

To Whom It May Concern:

On behalf of the Insured Retirement Institute (IRI),¹ we appreciate the opportunity to provide comments regarding the Department of Labor’s (the Department or DOL) proposed rule seeking to provide interpretive guidance to help small employers select high-quality, low-cost “pooled employer plans” or “PEPs” (the Proposed Rule).² This Proposed Rule also solicits information about prevailing market practices for pooled employer plans.

IRI is the leading trade association for the retirement income industry, representing the full supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, and distributors. Our members are committed to delivering secure and sustainable retirement income to millions of American workers and retirees.

Our comments reflect IRI’s longstanding and consistent support of the SECURE Act of 2019³ and SECURE 2.0,⁴ landmark legislation that expanded access to workplace retirement plans and lifetime income solutions. We believe this Proposed Rule presents a critical opportunity to strengthen that framework by ensuring PEP providers can effectively deliver cost-efficient,

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, diversity, equity, and inclusion, and the advancement of digital solutions within a collaborative industry community.

² 29 CFR Parts 2510, 2520, 2550.

³ Setting Every Community Up for Retirement Enhancement Act of 2019, Pub. L. 116-94, Div. O (2019).

⁴ Public Law 117-328, Division T, SECURE 2.0 Act of 2022.

high-quality solutions that broaden access to retirement savings, particularly for small and mid-size employers and their workers.

PEPs were authorized under the SECURE Act of 2019 to allow unrelated employers to band together under a single retirement plan administered by a registered pooled plan provider (PPP). The purpose was to remove barriers that had historically discouraged small and mid-size businesses from offering retirement benefits, such as administrative burdens, cost, complexity, and fiduciary liability. By consolidating administration, oversight, and investment management, PEPs were designed to expand coverage, lower costs through economies of scale, and simplify employer responsibilities.

Since their launch in 2021, PEPs have shown promising growth. According to DOL data, by the end of 2022, there were 190 PEPs covering approximately 618,000 participants with nearly \$5 billion in assets.⁵ These early results demonstrate that PEPs are beginning to reach workers who might not otherwise have access to a retirement plan. We believe the impressive growth in both PEP formation and employer participation since 2021 is due to the supportive statutory and regulatory framework, which has enabled a variety of plan and service models to develop, meeting the diverse needs of employers in the marketplace. From IRI's perspective, PEPs represent a significant policy innovation with the potential to close coverage gaps and enhance retirement security for millions of Americans employed by small and mid-size businesses. Continued efforts by DOL in this space should remain focused on supporting continued flexibility and innovation in business models in the marketplace.

I. The Value of PEPs for Small and Mid-Size Employers

IRI believes PEPs represent a significant opportunity to expand retirement savings, particularly for small and mid-size employers that do not currently offer plans. By reducing administrative burdens and fiduciary responsibilities, PEPs provide employers with meaningful relief, enabling them to offer high-quality retirement benefits that might otherwise be unattainable.

While PEP participation involves a shift from the full customization of single-employer plans, this change must be weighed with the benefits of broader access, lower costs, and professional oversight. Although employers often have less direct control over plan design and investment options in a PEP, this structure provides important advantages, including streamlined administration, access to institutionally priced investments through improved buying power, and the benefit of professional governance that can enhance outcomes for both employers and participants. With thoughtful regulatory guidance, PEPs can offer flexible and cost-effective solutions that enhance retirement security for employees, allowing employers to focus on their core business operations.

⁵ U.S. Department of Labor, *Pooled Employer Plan Bulletin*, 2025, available at: <https://www.dol.gov/agencies/ebsa/researchers/statistics/retirement-bulletins/pooled-employer-plan-bulletin/2025>.

II. Interpretive Guidance and Application of Fiduciary Standards

IRI urges the Department to reconsider its interpretation of ERISA section 3(43)(B)(iii) as it relates to the fiduciary responsibilities of participating employers. In the Proposed Rule, the Department suggests that employers can substantially minimize their fiduciary liability if the pooled plan provider (PPP) assumes full responsibility for selecting and retaining the investment manager, without relying on authorization or ratification by participating employers.

This interpretation overlooks the broad acknowledgment—both in ERISA and existing regulations—that multiple PEP models can coexist, each serving important legal and practical functions. For example, in certain structures where the PPP has an affiliation with the investment manager, participating employer authorization is essential to avoid prohibited transactions. Such arrangements are expressly contemplated by section 3(43)(B)(iii), which envisions PEP models with varying allocations of fiduciary responsibility depending on plan design.

Dismissing these models as problematic undermines the flexibility that has supported the formation of PEPs and encouraged employer participation to date. To foster a robust and competitive marketplace, it is critical that the Department preserve this flexibility and recognize that diverse PEP structures can coexist while still protecting participants and upholding fiduciary standards.

IRI appreciates the Department's effort to provide interpretive guidance that will help employers understand how their fiduciary responsibilities apply in the PEP context. Clear articulation of expectations, particularly through safe-harbor frameworks, can give employers confidence in selecting and monitoring a PEP while ensuring that providers are held to consistent standards of quality and accountability.

From IRI's perspective, safe harbors should:

- Address pooled plan provider (PPP) responsibilities. Employers should have certainty about the duties PPPs assume on behalf of participating employers and plan participants.
- Promote effective disclosures. Participant disclosures should be meaningful and comprehensible, while not imposing rigid or burdensome content requirements that discourage flexibility and innovation.
- Support compliance consistency. Confirmation that prohibited transaction exemptions apply in the PEP context in the same manner as a single employer, especially in common provider arrangements, will help ensure uniform administration and compliance across the industry.

III. Reporting and Regulatory Considerations

We recognize the importance of transparency in the PEP marketplace and agree that Form PR can serve as a useful tool for oversight. At the same time, reporting requirements should remain focused and practical to avoid discouraging provider participation. Limiting disclosures to information directly relevant to PPP operations—such as key personnel and relevant compliance actions—would strike the right balance between regulatory oversight and fostering continued growth and innovation in the PEP industry.

In addition, IRI urges the Department to remain mindful of the balance between transparency and administrative feasibility. Reporting and disclosure requirements should be carefully calibrated to avoid imposing excessive burdens or unnecessary costs on pooled plan providers and participating employers. Overly complex or duplicative obligations could discourage provider participation and deter small and mid-size employers from adopting PEPs, undermining the policy goals of expanded access and affordability. By maintaining proportionate and streamlined requirements that deliver meaningful information to regulators, employers, and plan participants without creating undue compliance challenges, the Department can help ensure the continued growth and success of the PEP marketplace.

IV. Request for Information (RFI) Topics: Safe Harbors, Data, and Market Practices

A narrowly tailored safe harbor that applies only to a specific type of retirement plan risks creating unintended incentives, steering employers toward that model even when another design may better meet the needs of their workforce. For this reason, IRI does not support safe harbors that are limited to particular plan types, designs, or products. Instead, we encourage the Department to adopt a broad, principles-based safe harbor applicable to all employers in their selection of service providers or plan types. Such an approach—focused on process rather than prescribing outcomes—would provide meaningful protection in today’s highly litigious environment while preserving flexibility for employers to choose the arrangements best suited to their employees. IRI supports the Department’s request for input on safe-harbor criteria and fiduciary allocation. A well-structured safe harbor could provide employers with confidence in selecting a PEP while still holding providers to strong performance and governance standards.

We support efforts to collect data that will help demonstrate the effectiveness of PEPs and identify opportunities to expand adoption. Any additional reporting, however, should remain targeted and proportionally focused on information such as fee structures, enrollment trends,

and exit procedures—so that regulators and stakeholders gain meaningful insights without imposing unnecessary burdens on providers.

V. Broader Advocacy for Retirement Savings

IRI's support for PEPs aligns with our broader advocacy for expanding access to workplace retirement plans and protected lifetime income products. Our 2025 Blueprint for Retirement Security⁶ includes recommendations to:

- Require most businesses to offer a retirement plan.
- Authorize CITs and unregistered insurance separate accounts as 403(b) investment options to broaden availability across sectors.
- Clarify the eligibility period for startup tax credits for small employers joining PEPs or MEPs.
- Enhance plan features, such as automatic enrollment and increased automatic contribution rates.

Our advocacy for PEPs builds on IRI's long record of support for the SECURE Act of 2019 and SECURE 2.0, both of which advanced significant policy changes to strengthen retirement security for American workers.

VI. Potential Benefits and Considerations

IRI agrees with the Department's assessment that PEPs have the potential to deliver meaningful benefits, including expanded access to retirement plans for small business employees, cost efficiencies through pooled administration, streamlined plan operations, and greater clarity of fiduciary responsibilities. These advantages align with the policy goals of the SECURE Act of 2019 and SECURE 2.0, underscoring why PEPs should continue to be encouraged as a tool to close retirement coverage gaps.

As with any new framework, it is essential to establish conditions that will support the long-term growth and stability of the PEP marketplace. Providers have already demonstrated strong capabilities in delivering quality services and expanding access, but continued success will depend on fostering competition, maintaining consistent service standards, and facilitating smooth employer transitions. With proportionate regulatory adjustments and well-designed safe harbors, the PEP industry can continue to expand coverage, maintain high-quality outcomes, and deliver on its promise of strengthening retirement security.

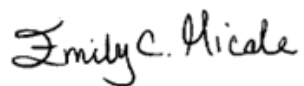
IRI commends the Department for its efforts to advance guidance and seek stakeholder input on pooled employer plans. By maintaining practical reporting requirements and adopting

⁶ <https://www.ironline.org/wp-content/uploads/2025/03/2025-Federal-Blueprint.pdf>

workable frameworks that provide certainty, the Department can give employers and providers the confidence needed to participate and innovate. A strong and competitive provider industry, supported by clear and reliable protections, will help expand retirement plan access for small and mid-size employers and their employees, thereby closing coverage gaps and strengthening retirement security.

Thank you for your consideration of these comments. IRI stands ready to engage further with the Department on these important issues. If you have questions about any of our comments or if we can be of any further assistance in connection with this Proposed Rule, please feel free to contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "Emily C. Micale". The signature is written in a cursive, flowing style.

Emily Micale

Director, Federal Regulatory Affairs

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