



December 22, 2018

Via Regulations.gov

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

Re: Definition of Employer—MEPs

On behalf of Heating, Air-conditioning & Refrigeration Distributors International (HARDI) I write to offer comments on the Department of Labor's Proposed Rule regarding the Definition of Employer—MEPs [*RIN 1210-AB88*].

HARDI is a trade association comprised of nearly 1,000 member companies, nearly 500 of which are U.S.-based wholesale distribution companies. More than 80 percent of HARDI's distributor members are classified as small businesses that collectively employ over 35,000 U.S. workers, representing more than \$35 billion in annual sales and an estimated 80 percent of the U.S. wholesale distribution market of heating, ventilation, air-conditioning and refrigeration (HVACR) equipment, supplies, and controls.

Retirement plan costs, including flat fees paid to plan organizers must be paid regardless of the number of participating employees. 77 percent of HARDI member employees are enrolled in a 401(k) retirement plan, however smaller distributors have lower enrollment, possibly caused by higher fees per enrollee. HARDI supports the proposed expansion of Multi-Employer Plans (MEPs) to allow small businesses to band together or join an association sponsored MEP to lower costs for individual enrollees.

Increasing the scope of an “employer,” in the same manner as the definition was expanded for association health plans, to include groups of employers participating through an employer association makes it far easier for many small businesses to provide retirement plans to employees. When done through a bona-fide association, MEPs can provide retirement plans with lower per-enrollee costs to make it easier for employees to grow their retirement savings.

HARDI appreciates the opportunity to provide input on ways that the Department of Labor can improve and finalize regulations allowing for the increased use of Multi-Employer Plans to provide retirement benefits to employers and employees.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alex Ayers", with a long horizontal flourish extending to the right.

Alex Ayers
Director, Government Affairs
Heating, Air-conditioning & Refrigeration Distributors International