



POLICY MATTERS

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Both chambers of Congress remain out through the midterm elections. The Administration, however, keeps moving its agenda forward.

DOL Takes Next Step on Association Retirement Plans. Touted as helping “small businesses strengthen retirement security in America,” earlier this week, the Department of Labor announced a [proposed rule](#) that would make it easier for small businesses to band together to offer 401(k) benefit packages comparable to those offered by large employers. Under the proposed rule, Association Retirement Plans could be offered by local associations of employers or employers in a particular industry nationwide. In addition, the plans could be sponsored through Professional Employer Organizations.

Administration Proposes to Expand Use of HRAs. The Departments of Treasury, Health and Human Services, and Labor [proposed a regulation](#) that expands the usability of health reimbursement arrangements (HRAs). HRAs allow employers to reimburse their employees for medical expenses in a tax-favored way. Currently, employers are prohibited from using HRAs to reimburse employees for the cost of individual health insurance coverage. The proposed regulation would permit HRAs to reimburse employees for the cost of individual health insurance coverage, subject to certain conditions. According to the Administration, the revision to the HRA regulations would afford the same tax advantage enjoyed by traditional employer-sponsored coverage.

In addition, the proposed regulation would allow employers offering traditional employer-sponsored coverage to offer an HRA of up to \$1,800 per year (indexed annually for inflation) to reimburse an employee for certain qualified medical expenses, including premiums for short-term, limited-duration insurance plans.

Justice Department Weighs In on Transgender Coverage Under Title VII. Taking a position contrary to the Equal Employment Opportunity Commission, the Department of Justice this week [told](#) the Supreme Court that Title VII does not encompass discrimination on the basis of gender identity. Technically, the Solicitor General urged the Supreme Court to first review and rule upon two earlier-filed cases related to Title VII's application to sexual orientation.

OFCCP Seeks Comment on Award. OFCCP has [sought clearance](#) of a new proposed award, the Leadership in Equal Access and Diversity Award (LEAD). Among other things, the award would provide the awardees with a three-year moratorium from scheduled compliance evaluations from the date OFCCP presents the award. The award will recognize the work of supply and service contractors for their development and successful implementation of comprehensive equal employment opportunity and nondiscrimination programs. As proposed, LEAD awardees will be required to demonstrate sound policies, practices, and strategies for outreach and recruitment, hiring decisions, training and advancement, compensation, retention, and other employment activities. In addition, there is a final vetting and a required desk audit in the event no compliance evaluation has been completed in the preceding two years. OFCCP expects to present its first awards to six awardees in FY19.

Immigration-Related Regulatory Agenda Items. Following up on last week's Reg Agenda Edition for labor matters, [see this week's supplement](#) discussing immigration-related matters on the regulatory agenda.

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