

January 23, 2017

President Trump Administration Freezes New Regulations

Soon after Donald Trump officially became the forty-fifth president of the United States, Reince Priebus, the President's Chief of Staff, issued a memorandum freezing all pending regulations. This memorandum is similar to the memorandums issued at the beginning of prior administrations. In general, and subject to certain exceptions, the memorandum provides the following –

1. Agencies shall send no new regulations to be published in the Federal Register until an appropriate individual appointed or designated by the President reviews such regulation.
2. With respect to regulations that have been sent to the Federal Register but not yet published, agencies must immediately withdraw them.
3. With respect to regulations that have been published in the Federal Register but have not taken effect, as permitted by applicable law, agencies must temporarily postpone their effective date for 60 days for the purpose of reviewing questions of fact, law, and policy.

Questions have arisen with respect to various employee benefits regulations that have been recently issued. Although not a complete review of the regulatory landscape, a few overarching conclusions can be drawn. First, the HHS nondiscrimination rules are currently effective and applicable, and therefore are not covered by this memorandum. Second, the final disability claims procedures regulations are currently effective (as of January 18th), but are not yet applicable until January 1, 2018. At first glance, this means that this memorandum also should not affect these regulations. Last, similarly, the fiduciary regulations are also currently effective, but not yet applicable, and this memorandum should not affect the fiduciary regulations either. However, with respect to the fiduciary regulations, we have heard that separate action may be forthcoming soon from the Department of Labor that seeks to postpone or possibly even withdraw these regulations.

Although a particular regulation may not be affected by the current memorandum, this does not mean that Congress could not seek to withdraw the regulation based on applicable Congressional review rules and does not mean that the new agency administration will not issue separate guidance withdrawing, postponing or modifying a particular regulation.