



Rewards Policy Insider 2026-06



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Upcoming Compliance Reminders for Calendar Year Employee Benefit Plans

March 2026

31st: Forms 1094-C and 1095-C due to IRS

31st: File Form 1099-R with IRS (electronic)

June 2026

1st: Prescription Drug Data Collection deadline

Note: This is meant to be a reminder of certain upcoming compliance deadlines for employee benefit plans operating on a calendar year basis. It is not an exhaustive list of compliance obligations. Specific plans may be subject to different obligations and deadlines depending upon a variety of factors, including the plan type, plan year, and whether or not the plan is subject to ERISA, among other things.

DOL Proposes New Worker Classification Rule

On February 26, the U.S. Department of Labor's (DOL) Wage and Hour Division issued proposed regulations to "clarify" how workers should be classified for purposes of the Fair Labor Standards Act and the Family and Medical Leave Act. The proposed regulations would rescind the final regulations issued in 2024 ("2024 Final Rule"), which rescinded the final rule DOL issued in 2021 ("2021 Final Rule"). According to a DOL press release, the new proposal would use an analysis similar to what was used in the 2021 Final Rule.

Background

This debate over the proper standard for classifying workers long pre-dates the 2021 and 2024 Final Rules. But those 2 rules are the best starting point for understanding the latest proposed regulations.

The 2024 Final Rule lists six factors as a tool to be used to determine if, under the "totality of the circumstances," the worker is, "as a matter of economic reality," an employee or an independent contractor. However, the 2024 Final Rule does not identify any of the six factors as being more significant than others. It also notes that other factors may be relevant depending on the facts and circumstances of each individual situation.

In releasing the 2024 Final Rule, DOL noted that the 2021 Final Rule had “a confusing and disruptive effect on workers and businesses alike due to its departure from case law describing and applying the multifactor economic reality test as a totality-of-the circumstances test.” The 2021 Final Rule identified five factors relevant to its economic analysis framework and designated two of the five -- the nature and degree of control over the work and the worker’s opportunity for profit or loss – as “core factors” that carried greater weight than the other three.

The 2024 Final Rule has been the subject to several legal challenges. In May 2025, the Trump Administration announced it was pausing enforcement of the 2024 Final Rule while it worked on developing an updated rule.

Summary of Proposed Rule

According to a DOL press release, the analysis in the new proposed rule would:

- Apply an “economic reality” test to determine whether a worker is in business for himself or herself as an independent contractor or is an employee economically dependent on an employer for work.
- Identify and explain two “core factors” to help determine if a worker is economically dependent on an employer for work or in business for him- or herself:
 - The nature and degree of control over the work.
 - The worker’s opportunity for profit or loss based on initiative and/or investment.
- Identify other factors to help determine a worker’s status as an employee or independent contractor, including the amount of skill required for the work, degree of permanence of the working relationship, and whether the work is part of an integrated unit of production.
- Advise that the actual practice of the worker and the potential employer is more relevant than what may be contractually or theoretically possible.
- Provide eight fact-specific examples applying the factors to real-life circumstances.

Comments on the proposed rule are due by April 28, 2026.

DOL Proposes Regulations to Amend Electronic Delivery Safe Harbor Rules

In February, the Department of Labor (“DOL”) issued proposed regulations that would implement the SECURE 2.0 Act of 2022’s (“SECURE 2.0”) changes impacting the electronic delivery of certain mandatory ERISA disclosures by retirement plans.

What are the Electronic Delivery Safe Harbors?

Under ERISA and DOL regulations, plan administrators must provide disclosures to participants and beneficiaries that include information about their accounts and benefits. Historically, such disclosures were not permitted to be delivered electronically. However, in 2002, DOL updated its disclosure regulations to establish two safe harbors permitting ERISA plans to use electronic delivery (“e-delivery”) to satisfy the disclosure requirements – the “wired-at-work” and “affirmative consent” safe harbors (which permit, respectively, e-delivery for individuals who have regular access to a computer at work or who consent to receiving electronic disclosures).

DOL updated its disclosure regulations again in 2020 to permit two additional e-delivery methods, but only for retirement plans: “notice and access” (where an email is sent to the individual notifying them that a disclosure is available for them to view on a website) and “direct email” (where an email is sent that contains the required disclosure).

SECURE 2.0 Changes to E-Delivery

SECURE 2.0 enacted additional changes impacting the delivery of pension benefit statements, including:

- **General Paper Statement Requirement.** SECURE 2.0 requires retirement plan administrators to deliver certain benefit statements on paper in written form, unless an exception applies. In the case of defined contribution plans, statements must be furnished on paper at least once in a calendar year (and for defined benefit plans, once every three years).
- **One-Time Paper Notice for 2002 Safe Harbors.** SECURE 2.0 directs DOL to update the 2002 safe harbors so that they can be used to electronically deliver pension benefit statements only if, prior to e-delivery, the plan sends a one-time paper notice to each recipient informing them of their right to request all ERISA-required documents on paper.
- **Changes to 2020 Safe Harbors.** SECURE 2.0 requires DOL to update its 2020 e-delivery safe harbors for retirement plans “to the extent necessary” to ensure that DOL’s document delivery guidance satisfies certain requirements.

New E-Delivery Proposal Implements SECURE 2.0 Requirements

In February, DOL released [proposed regulations](#) to implement the key regulatory directions from SECURE 2.0. One helpful clarification in the proposal relates to the 2002 “affirmative consent” safe harbor. The proposal recognizes that the “affirmative consent” safe harbor already has an advance notice requirement under which a plan administrator may obtain consent for e-delivery only if it first sends the participant a notice detailing certain information, such as the types of documents to which the consent applies. The proposed regulations clarify that a plan administrator could satisfy the new one-time paper notice requirement under SECURE 2.0 by sending this advance notice.

The proposal also makes changes to the 2020 safe harbors as directed by SECURE 2.0. For example, the proposed regulations state that any participant who receives a benefit statement on paper must have an opportunity to request that all statements be furnished by e-delivery. Consistent with SECURE 2.0, the proposed regulations also provide that no fees can be charged to a participant for the delivery of paper statements even if they request multiple paper copies of the same statement.

Notably, the proposal does not provide guidance on the once-per-year paper statement requirement described above. DOL determined that this requirement is sufficiently clear on its face and therefore did not require additional guidance.

Comments on the proposal are due April 27, 2026.

IRS Sets New Effective Dates for Forthcoming Required Minimum Distribution Regulations

The IRS announced that certain provisions of its 2024 proposed regulations addressing required minimum distributions (“RMDs”) from retirement plans and IRAs are anticipated to apply no earlier than 6 months after the date that the forthcoming final regulations are published.

Background

IRA account owners and retirement plan participants are required to withdraw minimum amounts from their accounts – RMDs – in accordance with rules outlined in the Code and regulations. In July 2024, IRS published final RMD regulations that reflected statutory amendments to the RMD rules that were enacted as part of the SECURE Act of 2019 and the SECURE 2.0 Act of 2022 (“SECURE 2.0”). The final regulations were effective beginning in 2025.

At the same time that it released the final RMD regulations, the IRS also released a set of new proposed regulations containing additional updates to the RMD rules. These proposed regulations addressed additional rules enacted by SECURE 2.0 that were not included in the final regulations, such as provisions that changed the rules for qualifying longevity annuity contracts and reduced the penalty for failures to take an RMD.

The IRS proposed that these new regulations would go into effect beginning in 2025. However, after reviewing stakeholder concerns, the IRS announced in late 2024 that the effective date of some (but not all) provisions of the proposed RMD regulations would be delayed until no earlier than 2026. (See [Rewards Policy Insider 2025-03](#) for a discussion of the delayed effective date.) In the interim, the IRS said that taxpayers must apply a reasonable, good-faith interpretation of the statutory provisions underlying the regulations. The IRS has not yet finalized the proposed regulations.

IRS Announces New Effective Date for Forthcoming Regulations

In February 2026, the IRS released [Announcement 2026-7](#), which provides guidance on the effective date of the forthcoming proposed regulations. Most significantly, the Announcement provides that:

- The forthcoming final regulations implementing certain provisions of the proposed RMD regulations (described below) are anticipated to apply for RMD years that begin *no earlier than 6 months after the date that final regulations are published*; and
- Until the regulations go into effect, taxpayers must continue to apply a *reasonable, good-faith interpretation of the statutory provisions underlying the regulations*.

Importantly, like the IRS's prior delay of the effective date, this delay applies only to specific sections of the 2024 proposed regulations, including:

- The rules addressing the treatment of a successor beneficiary to the account owner's surviving spouse;
- Certain portions of the rules permitting the account owner's surviving spouse to determine their RMDs using a more favorable calculation called the Uniform Lifetime Table; and
- The rules addressing the use of a divorce or separation agreement for purposes of benefits paid to former spouses under a qualifying longevity annuity contract.

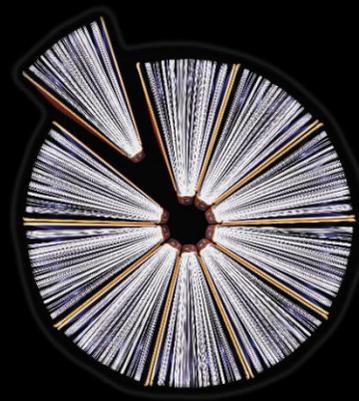
As a reminder, the provisions in the 2024 proposed regulations not affected by the most recent delay went into effect in 2025. That means, for example, that the rules relating to rollover distributions and the application of RMD rules to certain types of trusts are already in effect.

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