

Trump Executive Order Means Any New DOL Regulation Requires Elimination of 10 Existing Ones

Trump's "Unleashing Prosperity through Deregulation" executive order calls for any federal agency promulgating a new rule, regulation, or guidance to identify at least 10 existing ones to be repealed



by Brian Anderson · February 3, 2025 · 4 minute read



Despite the change in presidential administrations with vastly different viewpoints and philosophies in how to govern the United States, do not expect to see a flurry of new regulations being promulgated by the Department of Labor or its Employee Benefits Security Administration during the next four years.

Or if there is, expect to see dozens of existing regulations being vacated.

The reason? Under a new Executive Order signed by President Donald Trump on Jan. 31, 2025, intended to “unleash prosperity through deregulation,” whenever a federal agency such as the DOL promulgates a new rule, regulation, or guidance, it must identify at least 10 existing rules, regulations, or guidance documents to be repealed.

The executive order “requires that for fiscal year 2025, the total incremental cost of all new regulations, including repealed regulations, be significantly less than zero,” and charges the Director of the White House Office of Management and Budget (OMB) with the task of ensuring standardized measurement and estimation of regulatory cost.

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“The cost to the
Department of Labor

That is a step up from the first Trump administration’s 2017 order that agencies offset the costs of new regulations by removing existing regulatory cost burdens, such that the

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Ari Sonneberg, The Wagner Law Group

net costs of new regulations should be zero. Now it shall be “significantly less” than zero.

Notably, the new executive order includes language that could exempt from coverage rules that represent a priority to the Trump administration. While it is standard in executive orders to exempt from OMB review rules that “pertain to a military or foreign affairs function of the United States,” or “are limited to agency organization, management, or

personnel matters,” this order also exempts regulations that address homeland security or immigration-related functions. It also specifically directs OMB to exempt regulations or regulatory categories “that impose minimal costs or burdens on the private sector or that are requested to be exempted by the Assistant to the President and Chief of Staff or the Assistant to the President and Deputy Chief of Staff for Policy.”

Nevertheless, the order could make agencies more hesitant to put forth new rules, regulations, or guidance.

“To put things in some perspective, in 2024 alone the Department of Labor issued or proposed three significant new ERISA-related regulations (a regulation on environmental, social, and governance (ESG) investing, a regulation requiring lifetime income illustrations in participant disclosures, and a proposed regulation on fiduciary advice),” Ari Sonneberg, Chief Marketing Officer and Partner at [The Wagner Law Group](#), wrote in a Law Alert today. “The cost to the Department of Labor for just three new regulations under the Trump Administration will be the elimination of 30 existing regulations.”

In his first term, President Trump asked the agencies to eliminate two regulations for each one new regulation issued, a [Fact Sheet](#) on the new executive order notes. "Not only was this 2-for-1 goal achieved, the first Trump Administration eliminated five-and-a-half regulations for every one new regulation issued," the Fact Sheet claims. Former President Joe Biden revoked that order in 2021, on his first day in office.

"While under the similar initiative during Trump 1.0 agencies could more easily turn to outdated or unused regulations for the trade-in, the 10:1 ratio mandated by this new Order will undoubtedly make such easy swaps an uphill battle," Sonneberg added.

Trump's argument for deregulation

In stating the purpose for the executive order, Trump wrote that "the ever-expanding morass of complicated Federal regulation imposes massive costs on the lives of millions of Americans, creates a substantial restraint on our economic growth and ability to build and innovate, and hampers our global competitiveness."

Trump's order continued:

"It is the policy of my Administration to significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security and the highest possible quality of life for each citizen. To that end, it is important that for each new regulation issued, at least 10 prior regulations be identified for elimination. This practice is to ensure that the cost of planned regulations is responsibly managed and controlled through a rigorous regulatory budgeting process."

The order goes on to say the OMB Director will provide the heads of agencies with guidance on implementation. The guidance will address, among other things, processes for standardizing the measurement and estimation of regulatory costs; standards for determining what qualifies as new and offsetting regulations; standards for determining the costs of existing regulations that are considered for elimination; processes for accounting for costs in different fiscal years; methods to oversee the issuance of rules with costs offset by savings at different times or different agencies; and emergencies and other circumstances that might justify individual waivers of the requirements of this section. The Director shall consider phasing in and updating these requirements.

Trump's pick to be the director of the OMB, Russell Vought, is in the middle of the confirmation process. Republicans on the Senate Budget Committee voted 11-0 last Thursday to advance Vought's nomination to the Senate floor for further consideration while committee Democrats boycotted the vote because Republican committee members refused to delay the vote or have an "open, on-camera discussion" on the nomination.

Vought, who served as OMB Director during the first Trump Administration, was a key architect of the controversial Project 2025 agenda for a Republican administration.

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