AMERICAN BENEFITS COUNCIL

SUMMARY OF LEADING PROPOSALS TO EXPAND RETIREMENT PLAN COVERAGE

(PREPARED FOR THE AMERICAN BENEFITS COUNCIL BY DAVIS & HARMAN LLP)

NOTE: BILLS REFLECT INTRODUCTION IN THE 113TH, 114TH, AND 115TH CONGRESS

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
RETIREMENT PLAN-BASED PROPOSALS						
OPEN MULTIPLE EMPLOYER PLANS **<u>115th Congress</u>** • S. 2526, O. Hatch (R-UT) and R. Wyden (D-OR) • H.R. 5282, M. Kelly (R-PA) and R. Kind (D-WI) • H.R. 854, V. Buchanan (R-FL) • S. 1383, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 4523, R. Neal (D-MA) • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) **<u>114th Congress</u>** • S. 3471, O. Hatch (R-UT)	Voluntary	All of the bills would allow for "open" multiple employer plans (MEPs), also referred to as "pooled employer plans," which would permit employers to participate in a single plan regardless of whether such employers have a relationship other than participating in the plan. Another MEP reform under consideration is a proposal to eliminate the so-called one-bad-apple-rule that disqualifies an entire MEP if any participating employer's portion of the plan does not meet the tax qualification rules. The Retirement Enhancement and Savings Act (RESA), which was passed unanimously by the Senate Finance Committee in 2016, would permit open MEPs as long the plan's terms: • designate a plan provider that is a named fiduciary of the plan; • require the plan provider to make certain disclosures; • designate one or more trustees to be responsible for collecting contributions to, and holding assets of, the plan; • require trustees to implement written contribution collection procedures that are reasonable, diligent, and systematic;	Generally, any employer could participate in an open MEP. Under the Kind/Reichert bill, no participating employer may have more than 500 employees (subject to a five-year grace period for employers that grow to exceed the 500-employee limit). The Heinrich bill would only authorize multiple employer plans sponsored by states.	All relevant bills would permit open MEPs for defined contribution plans. There would be no special contribution rules.	Except in the case of the Kind/Reichert bill, a designated plan provider must be identified. This "plan provider" is the entity responsible for all administrative duties needed to maintain the MEP's qualification. The plan provider must register with the DOL, and be subject to DOL audits. Each employer maintains fiduciary responsibility to prudently select and monitor the plan provider (except in the case of the	The tax treatment would be identical to other defined contribution plans.

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• S. 266, S. Collins (R-ME) and B. Nelson (D-FL); • S. 3389, M. Heinrich (D-NM) • S. 245, S. Whitehouse (D-RI) • S. 3338, R. Burr (R-NC) • H.R. 557, V. Buchanan (R-FL) • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 6396, V. Buchanan (R-FL) • H.R. 506, R. Neal (D-MA) **113th Congress** • S. 1270, O. Hatch (R-UT) • S. 1979, T. Harkin (D-IA) • S. 1970, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 2117, R. Neal (D-MA) • H.R. 4376, B. Braley (D-IA) • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 5828, M. Cartwright (D-PA) Included in President		• provide that each employer retains fiduciary responsibility for the selection and monitoring of the designated plan provider and any other named fiduciaries; • provide that each employer retains fiduciary responsibility for the selection and monitoring of the plan assets attributable to the employees of that employer; • provide that any employer, participant, or beneficiary is not subject to unreasonable participation, distribution, or transfer restrictions; • require each employer to take any actions the Labor Secretary or plan provider deem necessary to administer the plan or allow the plan to satisfy ERISA and the Code; and • provide that any disclosures may be provided electronically. The Automatic Retirement Plan Act (ARPA) provides MEP relief that is similar to the relief contained in RESA, except that ARPA also includes special fiduciary relief for employers with up to 100 employees. DOL Interpretive Bulletin 2015-02 indicates that DOL believes states have a unique representational interest that allows them to establish open MEPS among unrelated employers (unlike private MEP sponsors).			Kind/Reichert bill) and the named fiduciary (if not the same person). Each employer has fiduciary responsibility for its share of plan investments, except to the extent delegated to another fiduciary. (Note: ARPA contains special fiduciary relief for employers with up to 100 employees.)	

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Obama's Final Budget						
CONSOLIDATED FORM 5500 REPORTING **<u>115th Congress</u>** • S. 695, M. Warner (D-VA) • H.R. 1688, L. Sanchez (D-CA) • S. 2526, O. Hatch (R-UT) and R. Wyden (D-OR) • H.R. 5282, M. Kelly (R-PA) and R. Kind (D-WI) **<u>114th Congress</u>** • S. 3471, O. Hatch (R-UT) • S. 3307, M. Warner (D-VA) • H.R. 6402, L. Sanchez (D-CA)	Voluntary	A group of plans would be permitted to file a single consolidated Form 5500 if all plans in the group: • are defined contribution plans; • have the same trustee, named fiduciary, and administrator; • use the same plan year; and • provide the same investments or investment options. The proposal would also authorize DOL and Treasury to require the single Form 5500 to contain such information about the separate plans as is necessary or appropriate to ensure that DOL and Treasury do not fail to receive needed information.	Any employers that qualify for consolidated reporting.	N/A	N/A	N/A
ELIMINATE THE CAP ON AUTOMATIC ESCALATION **<u>115th Congress</u>** • S. 1383, S. Collins (R-	Voluntary	The current automatic enrollment safe harbor provides that the automatic elective deferral rate may not exceed 10%. The bills would eliminate this cap.	Any employer that already offers an automatic enrollment safe harbor planor that may offer one. This change may also encourage employers with	The current safe harbor requires that the elective contribution must constitute a "qualified percentage," defined to be met if the	Contributions would be invested like other 401(k) plans.	N/A

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ME) and B. Nelson (D-FL) • S. 2526, O. Hatch (R-UT) and R. Wyden (D-OR) • H.R. 5282, M. Kelly (R-PA) and R. Kind (D-WI) H.R. 4524, R. Neal (D-MA) **<u>114th Congress</u>** • S. 3471, O. Hatch (R-UT) • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) **<u>113th Congress</u>** • S. 1270, O. Hatch (R-UT) • H.R. 2117, R. Neal (D-MA) • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA)			non-safe harbor automatic enrollment plans to remove the cap.	percentage is applied uniformly and is at least 3% for the first plan year beginning when the automatic contribution arrangement is established; at least 4% the subsequent year; at least 5% the year after that; and at least 6% for any subsequent year. While these percentages are minimums, the Code provides that a percentage exceeding 10% will not qualify as a QACA. The bill would eliminate the cap.		
INCREASE START-UP CREDIT FOR SMALL EMPLOYER PENSION PLANS **<u>115th Congress</u>** • S. 1383, S. Collins (R-ME) and B. Nelson (D-FL) • S. 2526, O. Hatch (R-UT) and R. Wyden (D-OR) • H.R. 5282, M. Kelly	Voluntary	Under current law, an employer with 100 or fewer employees can claim a credit for costs incurred in establishing and administering a qualified retirement plan, SEP, or SIMPLE. The credit equals 50% of qualified costs incurred in each of the three years upon plan establishment, up to $500 per year. It is available only to an employer that (a) has 100 or fewer employees and (b) has not in the past five years established or maintained a qualified plan. There have been a number of recent proposals to increase the start-up credit for small employer pension plans.	Employers with 100 or fewer employees.	N/A	N/A	N/A

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
(R-PA) and R. Kind (D-WI) • H.R. 4523, R. Neal (D-MA) • H.R. 4524, R. Neal (D-MA) • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 3902, M. Bishop (R-MI) **<u>114th Congress</u>** • S. 3471, O. Hatch (R-UT) • S. 3338, R. Burr (R-NC) • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 506, R. Neal (D-MA) • S. 245, S. Whitehouse (D-RI) **<u>113th Congress</u>** • S. 1270, O. Hatch (R-UT) • H.R. 2117, R. Neal (D-MA) • H.R. 2035, R. Neal (D-MA) • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA) President Obama's Budgets called for an		The legislative proposal included in RESA would modify the cap to be equal to the greater of (1) $500, or (2) the lesser of (a) $250 for each nonhighly compensated employee eligible to participate in the plan, or (b) $5,000. Small employers that adopt automatic enrollment provisions would also be eligible for an additional $500 credit, regardless of whether those automatic enrollment provisions are adopted when the plan is first effective or later. ARPA would modify the start-up tax credit similar to RESA, except that ARPA would limit the credit to the type of plan required under ARPA and extend the credit to five years, instead of three. ARPA would also potentially make the credit more generous for employers with 25 or fewer employees. In that case, ARPA would make the credit equal to 100% of the qualified costs, up to the cap. The Kind/Reichert bill would increase the maximum credit from $500 to $2,000 and increase the percentage of expenses eligible for the credit from 50% to 75%. The Kind/Reichert bill would also apply the credit to ordinary and reasonable expenses paid or incurred in connection with the "automatic deferral IRA" that is created by the bill.				

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increase						
STARTER 401(K) PLAN **<u>115th Congress</u>** • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) **<u>114th Congress</u>** • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) **<u>113th Congress</u>** • S. 1270, O. Hatch (R-UT) • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA)	Voluntary	Establishes a new type of safe harbor 401(k) allowing a maximum annual deferral of $8,000 ($10,000 in Kind/Reichert version), no employer contributions, simplified reporting, and ability to step-up to a regular safe harbor 401(k). Automatic enrollment would be required. Nondiscrimination testing would be avoided.	Any employer that does not offer a qualified plan may offer the Starter 401(k). Employers with a SIMPLE IRA plan could step up to a Starter 401(k) during the year.	The plan would have automatic enrollment of at least 3% (but not more than 15%). The maximum contribution would be $8,000 (indexed), plus the catch-up contributions for employees age 50 and older.	Contributions would be invested like other 401(k) plans.	Tax treatment is identical to pre-tax 401(k) plans. It is not clear whether the plan could offer Roth contributions, but it appears that it could.
NEW AUTOMATIC ENROLLMENT SAFE HARBOR **<u>115th Congress</u>** • S. 1383, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 4524, R. Neal (D-MA) **<u>114th Congress</u>** • S. 266, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 4067, R. Kind (D-WI) and D.	Voluntary	Establishes a new 401(k) nondiscrimination safe harbor called a “Secure Deferral Arrangement” (SDA). The idea is to “stretch” the match and increase the default contribution rate. As under the existing QACA safe harbor, employers that adopt a SDA will be exempt from nondiscrimination and top-heavy testing.	Any employer eligible to adopt a 401(k) plan.	Automatic salary deferrals beginning at no less than 6% of salary in the first year of enrollment, increasing to 8% in the second year, and to 10% in the third and all subsequent years. <u>Hatch</u>: Employers that choose to sponsor plans subject to this safe harbor will be required to make matching contributions equal to 50 cents on the dollar for the first 2% of pay and 30 cents on the dollar for the next 8%	Contributions would be invested like other 401(k) plans.	The new safe harbor would also be accompanied by a tax credit for employers who adopt the safe harbor. <u>Hatch</u>: Employers with 100 or fewer employees that adopt the safe harbor would be eligible for a tax credit equal to 10% of contributions by or on behalf of employees (other than highly compensated employees) for the

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Reichert (R-WA) • H.R. 557, V. Buchanan (R-FL) **113th Congress** • S. 1270, O Hatch (R-UT) • H.R. 2117, R. Neal (D-MA) • S. 1970, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA) • H.R. 4376, B. Braley (D-IA)				of pay. Collins/ Kind /Braley/Buchanan: The employer would match 100 cents on the dollar for the first 1% of pay, 50 cents on the dollar for the next 5% of pay, and 25 cents on the dollar on the next 4% of pay. Matching contributions apply to after-tax contributions under these bills. Neal: The employee percentage starts at 6% and increases 1% each year until it reaches 10%. The matching contribution formula is similar to the Collins/Kind/Braley/ Buchanan version.		first three years that the safe harbor is in effect, up to $10,000. Collins/ Kind /Braley/Buchanan /Neal: Employers with 100 or fewer employees that adopt the safe harbor would be eligible for a tax credit for the first 5 years that employees participate in the new automatic enrollment safe harbor arrangement. The credit would equal the amount of matching contributions made on behalf of non-highly compensated employees under the safe harbor arrangement, up to 2% of the compensation paid to such employees for the taxable year.
REVISED PARTICIPATION AND VESTING STANDARDS FOR PART-TIME WORKERS **115th Congress**	Voluntary, but if an employer has a plan, it must comply with new rules for part-	This proposal would require retirement plans to credit certain employees with a year of service for purposes of plan participation and vesting even in cases when an employee completes fewer than 1,000 hours of service during a 12-month period. Women's PPA: Under this proposal, ERISA-covered plans	Employers that employ part-time employees that customarily work between 500 and 1,000 hours in a year would be affected; these employees, like full-	N/A	N/A	N/A

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• H.R. 4524, R. Neal (D-MA) **<u>114th Congress</u>** • S. 2110, P. Murray (D-WA) • H.R. 4235, J. Schakowsky (D-IL) **<u>113th Congress</u>** • H.R. 675, J. Schakowsky (D-IL) • H.R. 2117, R. Neal (D-MA) Included in President Obama's Budgets	time employees.	that allow for employee pre-tax contributions would be prohibited from conditioning participation upon a period of service, unless participation is permitted by the earlier of: • One year of service (defined as 1,000 hours during a 12-month period) or age 21, or • The first 36-month period consisting of three consecutive 12-month periods during which the employee has at least 500 hours of service and, by the close of which the employee has attained the age of 21. For the purpose of the various nondiscrimination testing rules applicable to ERISA-covered plans that allow for pre-tax employee contributions, employers would be able to elect to exclude participants who only became eligible to participate in the plan under the new requirements for long-term part-time workers. However, an employer could not exclude highly compensated employees who participate under these rules. The Women's PPA would also amend ERISA to require employers to recognize a year of service for part-time employees who have at least 500 hours of service and who have entered the plan because they met the long-term part-time rule above. <u>The Retirement Plan Simplification and Enhancement Act (RPSEA)</u>: RPSEA contains provisions intended to achieve similar results.	time employees, could not be excluded from the plan on the basis of service.			

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IMPROVE SIMPLE IRAS **115th Congress** • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) **114th Congress** • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) **113th Congress** • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA)	Voluntary	The Kind/Reichert bill includes a series of changes to SIMPLE IRAs to make them more attractive.	The bill would allow an employer to terminate a SIMPLE IRA mid-year, which is currently not permitted.	The limit on elective deferrals under a SIMPLE IRA or plan (generally $12,500 in 2018) would be increased to be equal to the regular 401(k) limit (generally $18,500 in 2018). In addition to any other permitted contributions to a SIMPLE IRA or plan, an employer would be permitted to make nonelective contributions on behalf of eligible employees in amounts up to 10% of pay.		The bill would remove a rule requiring that rollovers from SIMPLE IRAs be made to another SIMPLE IRA in the two-year period beginning on the first day the individual first participated in any qualified salary reduction arrangement maintained by the individual's employer. The bill would also eliminate a rule increasing the early distribution penalty to 25% (from 10%) in the case of a distribution from a SIMPLE IRA in this two-year period.
ELIMINATE TOP-HEAVY TESTING OR REDUCE BURDEN **115th Congress** • H.R. 4524, R. Neal (D-MA) • S. 893, R. Shelby (R-AL) **114th Congress**	Voluntary	The Hatch, Vitter, and Shelby bills would eliminate top-heavy testing. Under the Neal bills, if an employer chooses to cover employees who do not meet the statutory age or service requirements, the bill permits the employer to test such employees separately for determining required top-heavy contribution requirements.	Any employer whose plan is or may be top-heavy. For small businesses, the top-heavy rules often are the most burdensome of the various nondiscrimination tests. The mandated employer contribution – or forcing the employer into a safe harbor – is thought to be a	Plans that are top-heavy must provide a minimum accrual (DB plans) or a minimum contribution (DC plans). In the case of a DC plan, very generally there must be a contribution to each non-key employee's account who is a plan	N/A	N/A

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• S. 1827, D. Vitter (R-LA) **<u>113th Congress</u>** • S. 1270, O. Hatch (R-UT) • H.R. 2117, R. Neal (D-MA)			barrier to coverage for small employers.	participant equal to at least 3% of the participant's compensation. The plan must also use a special vesting schedule.		
DE MINIMIS FINANCIAL INCENTIVES **<u>115th Congress</u>** • H.R. 4524, R. Neal (D-MA)	Voluntary	Code section 401(k)(4)(A) prohibits employers from offering incentives other than matching contributions to employees who make elective deferrals. The Neal bill would permit employers to offer de minimis financial incentives in addition to matching contributions.	Employers eligible to offer a 401(k) plan.	N/A	N/A	N/A
THE AUTOMATIC RETIREMENT PLAN ACT **<u>115th Congress</u>** • H.R. 4523, R. Neal (D-MA)	Mandatory	ARPA would generally require all employers to offer a 401(k) or 403(b) plan. <u>Auto-Enrollment</u>: New plans not in existence on the date of enactment of the bill would need to have an automatic enrollment component. Automatic enrollment would start at a default contribution amount of 6% and escalate to 10%. Employees who opt out of the default amount would automatically be enrolled again every three years. <u>Eligibility</u>: All employees, including part-time employees, would have to be eligible to participate in the plan except for union employees, nonresident aliens, new employees until the beginning of their third calendar month of work, employees under age 21, and seasonal or temporary employees not expected to work more than three months. <u>Start-Up Credit</u>: ARPA would enhance the start-up tax credit (see above). <u>Saver's Credit</u>: ARPA would modify the Saver's Credit (see below). <u>State Mandates</u>: Subject to one exception, state mandates to participate in a state-run IRA would apply only to employers that are exempt from the federal requirement.	All employers, except for governments, churches, employers with 10 or fewer employees, and new employers that have not been in existence for three years. Employers that fail to establish a plan would be subject to an excise tax ($10 per employee per day).	No employer contributions would be required, and there would be a nondiscrimination testing safe harbor for plans with no employer contributions. Plans that use this no-employer contribution safe harbor would have to limit annual employee contributions to $8,000.	Plans would have to use Qualified Default Investment Alternatives such as target date funds, and at least 50% of a participant's vested account balance would need to be available to the participant in the form of a distribution that would provide guaranteed income for life.	Generally treated the same as existing 401(k) and 403(b) plans.

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		Under the exception, a state-run IRA requirement would apply to an employer in lieu of the federal requirement if (1) the state-run IRA is not otherwise preempted by ERISA; (2) the state-run IRA legislation was adopted before the date of the bill's enactment; and (3) the employer participates in the state-run IRA. However, if the scope of the state-run IRA legislation is materially expanded after the date of the bill's enactment, the exception would no longer apply. Open MEPs: ARPA provides MEP relief that is similar to the relief contained in RESA, except that ARPA also includes special fiduciary relief for employers with up to 100 employees.				
ADDITIONAL TIME TO ADOPT QUALIFIED PLANS **115th Congress** • H.R. 4524, R. Neal (D-MA)	Voluntary	Employers are not permitted to take a deduction for a prior taxable year if the plan is not established by the end of that taxable year. The Neal bill would permit an employer to adopt a qualified plan up to the due date (including extensions) for filing its tax return from the employer's taxable year in which the first plan year ends.	Employers newly adopting a qualified plan.	N/A	N/A	N/A
COMMISSION ON RETIREMENT SECURITY ACT OF 2018 **115th Congress** • S. 2753, T. Young (R-IN) and C. Booker (D-NJ)	N/A	Creates a new commission to study the state of retirement security in America, including a comprehensive review of existing benefit programs, private retirement coverage, societal trends, and the retirement programs of other countries. The bill would authorize $5,000,000 for the purpose of carrying out the commission.	N/A	N/A	N/A	N/A

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FLEXIBLE RETIREMENT ACCOUNTS **114th Congress** • S. 1827, D. Vitter (R-LA)	Voluntary	A new type of IRA-based retirement account for small businesses with 100 or fewer employees. Flexible Retirement Account would replace SIMPLE 401(k) plans and IRAs. S. 1827 would also eliminate the top-heavy rules in Code section 416. Employers that wish to establish Flexible Retirement Accounts for their employees must establish an account for every employee who is over age 21 and who has earned more than $3,300 during any calendar quarter during the previous year.	Employers with 100 or fewer employees.	Employers that establish Flexible Retirement Accounts for their employees would automatically enroll each employee at a default rate of 3%. The annual limit for employee contributions would be $12,500. Employers would also be permitted to make qualified nonelective contributions as long as such contributions bear a uniform relationship to the compensation of the employees.	Financial institutions that facilitate Flexible Retirement Accounts must have no less than 3 investment options, each of which must be diversified and have materially different risk and return characteristics.	Flexible Retirement Accounts would be treated similar to existing SIMPLE IRAs.
INDIVIDUAL ACCOUNT-BASED PROPOSALS						
***my*RA** Created by Obama Administration **115th Congress** • H.R. 3653, J. Crowley (D-NY) **114th Congress** • H.R. 4491, J. Crowley (D-NY)	Voluntary	*my*RAs are a type of Roth IRA administered by the Department of the Treasury. *my*RA accounts are exclusively invested in a special Treasury security that is similar to the "G" fund available to federal employees in the Thrift Savings Plan (TSP). The program was intended to be a "starter" IRA that would incubate until the account is large enough to justify transfer to a private financial institution. The Crowley bill would add *my*RA accounts to the Internal Revenue Code as a type of Roth IRA. ***On July 28, 2017, the Department of the Treasury announced that it is phasing out and eliminating the myRA retirement savings program. The myRA program is no longer accepting new enrollments.***	N/A	N/A	N/A	N/A
AUTO IRA	Mandatory	The Neal bill would require all but small employers to offer either a workplace plan or a payroll IRA with	Under the Neal bill, any employer that does not	The bill would require automatic enrollment.	Various iterations of the Auto IRA	The tax treatment would be similar to

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115th Congress • H.R. 3499, R. Neal (D-MA) • S. 1861, S. Whitehouse (D-RI) **114th Congress** • H.R. 506, R. Neal (D-MA) • S. 245, S. Whitehouse (D-RI) **113th Congress** • H.R. 2035, R. Neal (D-MA) Included in President Obama's Budgets		automatic enrollment.	offer a qualifying plan or arrangement described in Code section 219(g)(5). In addition, an employer is excluded if the employer (a) did not employ more than 10 employees who received at least $5,000 of compensation from the employer for the preceding calendar year; (b) did not normally employ more than 10 employees on a typical business day of the preceding calendar year, or (c) was not in existence at all times during the calendar year and the preceding calendar year. Government and churches are exempt. In addition, an employer that does not cover all employees in its qualifying plan will be affected; the bill provides for certain exceptions including those under age 18 or less than 3 months of service.	The default contribution percentage would be 3% or another percentage specified by Treasury (not less than 2% or greater than 6%). Treasury could provide for auto escalation.	bills have designated different investments. Neal's bill would use any target date investment that would qualify as a QDIA as a default, but the employer could also designate a principal protection fund, a balanced fund, or a lifetime income option. If the employer did not designate an IRA provider, contributions could be made to an R-Bond, which is intended to be inflation protected.	an IRA. An employee could elect to treat the account as a Roth IRA. The bill would also allow employers who do not have more than 100 employees a tax credit for costs associated with establishing an automatic IRA arrangement; and increase the dollar limitation on the tax credit for small employer pension plan startup costs.
Voluntary Automatic Enrollment Payroll Deduction IRAs	Voluntary	Facilitates creation of payroll deduction IRAs that use automatic enrollment. The bill would exempt these arrangements from ERISA and would preempt any state wage deduction law that	Any employer could offer an automatic enrollment payroll deduction IRA.	Employees would be automatically enrolled. An employee must be eligible (and automatically enrolled)	Any investment available in an IRA would be available in an automatic deferral IRA. The	An automatic deferral IRA would be treated in the same manner as an individual

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<u>115th Congress</u> • H.R. 4637, R. Kind (D-WI) and D. Reichert (R-WA) **<u>114th Congress</u>** • H.R. 4067, R. Kind (D-WI) and D. Reichert (R-WA) **<u>113th Congress</u>** • H.R. 5875, R. Kind (D-WI) and D. Reichert (R-WA)		otherwise prohibits automatic enrollment.		if the employee had at least $5,000 in compensation from the employer in the preceding year. Automatic enrollment percentage must be at least 3% in the first year, plus 1% each year for the next 12 years (but never greater than 15%). Contributions may be to a traditional IRA or Roth IRA. An excise tax would apply if the employer fails to timely remit contributions to the IRA.	default would need to be an investment that meets the QDIA rules (ERISA itself, however, would not apply).	retirement plan.
BROADEN IRA CONTRIBUTION ELIGIBILITY **<u>115th Congress</u>** • S. 1379, E. Warren (D-MA) • H.R. 3136, J. Kennedy (D-MA) • H.R. 4524, R. Neal (D-MA) • S. 2526, O. Hatch (R-UT) and R. Wyden (D-OR) • H.R. 5282, M. Kelly (R-PA) and R. Kind	Voluntary	<u>Post-70.5</u>: One recently considered legislative proposal would repeal the age limit prohibiting individuals who have attained age 70 ½ from making non-rollover contributions to traditional IRAs. The individual would otherwise need to be eligible to make IRA contributions, including having earned compensation. <u>Graduate Students</u>: Another proposal would permit graduate students to make IRA contributions using stipends and other amounts paid to them in the pursuit of graduate or postdoctoral study or research. <u>529 Rollovers</u>: Another proposal would permit 529 accounts to be rolled over into an IRA established for the account owner or designated beneficiary.	N/A	N/A	N/A	N/A

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
(D-WI) • H.R. 6470, J. Kennedy (D-MA) • H.R. 529, L. Jenkins (R-KS) **114th Congress** • S. 3471, O. Hatch (R-UT) • S. 3025, E. Warren (D-MA) • H.R. 5193, L. Jenkins (R-KS)						
SAVE UP ACCOUNTS **114th Congress** • H.R. 5731, J. Crowley (D-NY)	Mandatory	Employers with 10 or more employees that do not already offer a retirement plan would be required to open and make contributions to an individual SAVE UP Account for every employee. The Treasury Department would be responsible for establishing SAVE UP accounts. Participants would only be able to receive benefits in the form of an annuity, commencing between the age of 62 and 70. Rollovers would not be permitted.	Employers with 10 or more employees that do not already offer a retirement plan. Government and church employers would be exempt.	Employers would be required to make contributions of at least 50 cents per hour worked to each employee's SAVE UP Account. All amounts contributed to a SAVE UP Account would be immediately vested. Employers would also be required to automatically defer 3% of an employee's compensation, unless the employee affirmatively elects otherwise. This contribution would automatically increase by .5% until reaching a maximum of 5%.	Amounts contributed to a SAVE UP Account would be maintained through a new SAVE UP Accounts Fund established within the Treasury Department. Each SAVE UP Account would be credited with an annualized return equal to the lesser of 6% or the actual return experienced by the SAVE UP Accounts Trust Fund.	Any applicable employer who fails to maintain a SAVE UP Account program would not be permitted to take a deduction under Code section 162 for any employee compensation. The SAVE UP Act would create a refundable tax credit for "eligible small employers" up to the amount of employer contributions made for 10 employees (up to $10,400), which would be available during the

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				Deferrals would also be subject to the annual limits contained in Code section 402(g) ($18,500 in 2018). SAVE UP Accounts would be exempt from the participation and nondiscrimination requirements applicable to 401(k) plans and matching contributions under section 401(m).		first 5 years of the program. For purpose of this credit, an eligible small employer is an employer with gross receipts that do not exceed $5,000,000.

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
STATE-BASED PROPOSALS						
STATE-RUN MANDATORY AUTOMATIC ENROLLMENT PAYROLL DEDUCTION IRA PROGRAMS • CA SB 1234 • CT HB 5591 • IL SB 2758 • MD HB1378 • OR HB 2960	Mandatory	Requires certain employers with employees in the state to automatically enroll any employees not covered by a retirement plan into an automatic enrollment arrangement, with contributions being made to a state-run arrangement. The OregonSaves program went into effect in 2017. The Illinois pilot program launched on May 15, 2018. The City of Seattle enacted legislation creating a mandatory payroll deduction IRA program on November 22, 2017. Toward the end of the Obama administration, the Department of Labor published ERISA safe-harbor regulations that carved out state auto-IRA programs from ERISA. DOL's 2016 safe harbor regulations were overturned by Congress through successful Congressional Review Act challenges at the beginning of 2017. The PROSPERS Act (S. 1035/H.R. 2523) was introduced by congressional Democrats in 2017 to make DOL's former safe harbors effective by amending ERISA.	**California**: Private employers with 5 or more employees must participate unless they already offer a retirement plan.	**California**: Employees must be automatically enrolled at a default rate of 3%. California permits auto-escalation up to 8%.	**California**: For the first three years, the Secure Choice Retirement Savings Board will establish managed accounts invested in U.S. Treasuries or similar investments, while the Board develops and implements an investment policy.	**California**: The tax implications would be the same as a traditional IRA.
			Connecticut: Private employers with 5 or more employees must participate unless they already offer a retirement plan.	**Connecticut**: Employees must be automatically enrolled at a default contribution rate of 3%.	**Connecticut**: The program will use target date funds, unless the Authority determines otherwise. If feasible and cost effective, 50% of a participant's account balance will be invested in a lifetime investment option (annuity) at normal retirement age.	**Connecticut**: The tax implications would be the same as a Roth IRA.
			Illinois: Private employers with 25 or more employees throughout the previous calendar year that have been in business more than two years and have not offered a qualified	**Illinois**: Employees must be automatically enrolled at a default contribution rate of 3%.	**Illinois**: Private investment managers may be hired through a competitive bidding process. The default investment would	**Illinois**: The tax implications would be the same as a Roth IRA.

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			plan in the preceding two years would be required to participate.		be a target date fund, but the board may also establish a conservative principal protection fund, a growth fund, a secure return (stable value) fund, or an annuity fund. The secure return fund could be used as the default in lieu of a target date fund.	
			Maryland: Private employers with at least 10 employees that do not offer a retirement plan.	**Maryland**: Employees must be automatically enrolled at a default contribution rate of 3%.	**Maryland**: The Maryland Small Business Retirement Savings Board may arrange for collective, common, and pooled investment of program assets.	**Maryland**: The tax implications would be the same as a Roth IRA.
			Oregon: Private employers that do not offer a retirement plan.	**Oregon**: Employees must be automatically enrolled at a default percentage of 5%. Oregon requires auto-escalation up to 10%.	**Oregon**: In the beginning, the program will include three types of investments: (1) target retirement funds, (2) a capital preservation option, and (3) an investment growth option.	**Oregon**: The tax implications would be the same as a Roth IRA.

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
State-Run Voluntary Payroll Deduction IRA	Voluntary	The New York Secure Choice Savings Program would offer a voluntary payroll deduction Roth IRA to employers that have not offered a qualified retirement plan in the preceding two years.	Employers that have not offered a qualified retirement plan in the preceding two years.	Secure Choice calls for the use of automatic enrollment "as allowed under federal law."	A pooled investment structure for which administrative expenses cannot exceed 75 basis points.	The tax implications would be the same as a Roth IRA.
State-Run Multiple Employer Plans • VT HB 387	Voluntary	The Green Mountain Secure Retirement Plan will be a multiple employer plan established and administered by the state of Vermont. DOL Interpretive Bulletin 2015-02 indicates that DOL believes states have a unique representational interest that allows them to establish open MEPS among unrelated employers (unlike private MEP sponsors).	Employers with 50 or fewer employees that do not currently offer a retirement plan and self-employed individuals may participate.	Contributions can be made by employees and/or employers.	Unclear.	It would appear that the plan would be taxed like other tax-qualified retirement plans.
State-Run Prototype Plans • MA HB 3754	Voluntary	In October 2017, Massachusetts launched a prototype 401(k) plan that can be adopted by small non-profit employers.	Non-profit employers with up to 20 employees may participate. The law does not restrict participation to employers located in the state.	Contributions can be made by employees and/or employers.	The employee may choose the investment option for his or her account among those made available by the state.	It would appear that the plan would be taxed like other tax-qualified retirement plans.
State-Run Retirement Marketplaces • WA SB 5826 • NJ AB 1341	Voluntary	The New Jersey and Washington marketplaces are designed to connect private sector employers with approved retirement savings products available in the private sector market. The states would set standards for products made available through the marketplace. Washington's marketplace launched on March 19, 2018. DOL Interpretive Bulletin 2015-02 indicates that DOL believes state marketplaces are not ERISA-covered plans.	Employers would be permitted, but not required, to select retirement products from the state marketplaces.	Contributions to retirement products selected from a marketplace would depend on the product selected.	The New Jersey and Washington marketplaces prohibit financial firms from charging enrollees more than 100 basis points in total annual fees.	Products selected from the state marketplaces would be taxed like other tax-preferred retirement savings vehicles.
Tax Incentives For Savings						
Enhanced Saver's Credit	Voluntary	Under current law, low- and moderate-income taxpayers can receive a tax credit on up to $1,000 ($2,000 if filing jointly) contributed to an IRA or an employment-based	The Saver's Credit is not dependent on the employer.	N/A	N/A	There are also bills that direct IRS to modify the Form

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115th Congress • H.R. 4523, R. Neal (D-MA) **114th Congress** • S. 2492, R. Wyden (D-OR) • H.R. 3264, D. Titus (D-NV) **113th Congress** • H.R. 2117, R. Neal (D-MA)		plan. In 2018, the credit is available for filers with AGI of up to $31,500 (single) and $63,000 (married). The credit is applied at the 10%, 20%, or 50% rate (with higher rates tied to lower incomes). The credit is not refundable and does not have to be deposited into a plan. Wyden: The Wyden bill would make the Saver's Credit refundable, make the credit equal to 50% of any contributions taken into account for purposes of determining the credit, reduce the maximum contributions taken into account to $1,000 per individual, slightly increase the maximum income thresholds for claiming the credit, and add a new kind of phase-out. The Wyden bill would also require the credit to be paid directly into the taxpayer's *my*RA (the default) or Roth IRA. ARPA: ARPA would modify the Saver's Credit by requiring the credit to be paid as a "matching contribution" to a taxpayer's retirement plan or IRA. The maximum contribution amount eligible for the credit would be $1,000 and the taxpayer's contribution amount would be reduced by the amount of retirement distributions received by the taxpayer. The credit rate under ARPA would generally be 50% (subject to a phase-out). ARPA would also increase the AGI limits for eligibility and make the credit refundable. Titus: The Titus bill would increase the income eligibility limits for the Saver's Credit.				1040EZ to allow individuals filing that form to claim the Saver's Credit. **113th Congress** • S. 1970, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 4376, B. Braley (D-IA) **114th Congress** • S. 266, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 557, V. Buchan (R-FL) and R. Kind (D-WI) **115th Congress** • S. 1383, S. Collins (R-ME) and B. Nelson (D-FL) • H.R. 4524, R. Neal (D-MA)

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
FINANCIAL SECURITY CREDIT **<u>114th Congress</u>** • H.R. 4236, J. Serrano (D-NY)	Voluntary	A tax credit of up to $500 based on amounts deposited or contributed to a "designated savings product." For purposes of the Financial Security Credit, a designated savings product would be a qualified retirement plan (as defined by Code section 4974(c)), a 529 plan, a Coverdell ESA, a United States savings bond, a certificate of deposit, a savings account, or any other type of savings product considered to be appropriate by the Treasury Secretary. Any taxpayer claiming the Financial Security Credit would not be eligible for the Saver's Credit.	The Financial Security Credit is not dependent on the employer.	The credit would be equal to the lesser of: (1) $500; or (2) 50% of the total amount deposited or contributed into a designated savings product. The Financial Security Credit would be phased out for individuals who earn more than $41,625 ($55,000 if filing jointly). The Financial Security Credit must be deposited into a designated savings product.	N/A	NA
INCENTIVES FOR YOUNG SAVERS **<u>115th Congress</u>** • H.R. 5118, J. Crowley (D-NY) • H.R. 2420, D. Rouzer (R-NC) **<u>114th Congress</u>** • H.R. 4045, J. Crowley (D-NY) • H.R. 1125, R. Hanna (R-NY)	Voluntary	A handful of recent proposals have sought to establish new accounts, or new incentives for existing accounts, to encourage younger people to start saving. <u>USAccounts</u>: A new savings program established within the Treasury Department for children under the age of 18. When an account holder turns 18, accumulated savings would be transferred to a "USAccount IRA," a new type of Roth-like IRA. Amounts in a USAccount IRA cannot be distributed until the account holder turns 59½, or makes a distribution to pay for educational expenses, a first-time home purchase, qualified medical expenses, to prevent foreclosure, or to start a small business. Account holders would also be permitted to take any distribution which would not be includible in income if made from a qualified ABLE program. <u>Young Savers Accounts</u>: A new type of Roth IRA that would allow individuals to open up one or more Roth IRA accounts on behalf of minors under the age of 18.	Employers would be permitted to facilitate USAccounts by setting up a payroll deduction.	<u>USAccounts</u>: When a child is born, a USAccount will be established in the child's name and the federal government will contribute $500 in seed money the first year. USAccounts would accept contributions up to $2,000 per year and a $500 matching contribution made from the federal government. The matching contribution would include a phase out based on the Earned	<u>USAccounts</u>: USAccounts would initially be invested in the G Fund until each child turns 18. After age 18, investments would be managed by the Treasury or by a private trustee that agrees to administer the amounts as a USAccount IRA. <u>Young Savers Accounts</u>: Investments would be the same as Roth	<u>USAccounts</u>: Permitted distributions would not be included in gross income. <u>Young Savers Accounts</u>: Presumably, Young Savers Accounts would be treated the same as other Roth IRAs.

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				Income Credit phase out. An additional $500 credit through the Child Tax Credit would be available to families that contribute to a USAccount. <u>Young Savers' Account</u>: The Roth IRA contribution limits (determined without regard to catch up contributions) would apply to Young Savers' Accounts. The maximum amount any one individual may contribute to all Young Savers Accounts is also $5,500.	IRAs.	
OTHER PROPOSALS						
USA RETIREMENT FUNDS **<u>114th Congress</u>** • H.R. 6136, M. Cartwright (D-PA) **<u>113th Congress</u>** • S. 1979, T. Harkin (D-IA) • H.R. 5828, M. Cartwright (D-PA)	Mandatory	USA Retirement Funds would be privately run retirement funds administered by a board with representatives of employees, retirees, and employers. In general, employers with more than 10 employees that do not offer a workplace retirement plan with automatic enrollment at 6% of pay and an annuity distribution option would be required to make a Fund available to their employees, with default employee contributions of 6% of pay. Employees could opt out of participation in the Fund.	Any employer with more than 10 employees that does not offer a qualifying plan. To be a qualifying DC plan, the plan must automatically enroll employees at or above the proposal's contribution levels and offer a lifetime income option. In addition, frozen DB plans and plans for which the only contributions are nonelective employer	All eligible employees would contribute the default amount unless they make a specific election not to contribute or to contribute a different amount. The default level of contribution must be at least 6% of pay, subject to a four year phase-in. If an employee elects not to contribute or elects a different contribution amount,	Contributions would be held in a kind of multiple employer "Fund." The Funds generally resemble defined contribution plans with accounts based on actual earnings. Funds would be privately run retirement plans overseen by a board of trustees that has all ultimate	Senator Harkin's office had indicated a desire to introduce a companion bill addressing the tax treatment, but none was introduced. Presumably, Funds will in general be treated in the same manner as qualified defined contribution plans, so that, for example, contributions are

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
			contributions at a level lower than the default contribution rates required by the proposal are not qualifying plans. The mandate would apply to any employer that does not offer a qualifying plan to all employees (certain groups like those under 21 and those with less than 3 months service are excluded). Most employers' 401(k) plans would not qualify and would need to be amended to be qualifying plans. Employers could participate in a Fund in addition to maintaining their own plan.	that election would expire after two years, at which point the default amount would apply unless the employee makes a new contrary election. Employee contributions would be limited to $10,000 annually. No employer contributions would be required, but employers would be permitted to contribute up to $5,000 per employee. Any employer contributions must be made in a uniform manner, as the same percentage of pay or the same dollar amount for each eligible employee, and must not be intended to benefit solely highly compensated employees.	fiduciary responsibilities, though the board may, of course, hire others, such as investment managers, to perform certain fiduciary duties under the board's supervision. Funds would have professional asset management (rather than participant direction), and would be invested in a manner similar to target date funds or managed accounts. Employers would not have any fiduciary responsibilities with respect to choosing a Fund or the operations of the Fund. The board of trustees would be specifically directed to "manage the Fund with the intention of providing each participant with a	deductible by the employer, the Fund is not taxed, and employees are only taxed on distributions.

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					cost-effective stream of income in retirement and reducing benefit level volatility (particularly for those approaching retirement)." Fund benefits would be portable, so that participants could transfer assets from one Fund to another.	
American Savings Accounts **115th Congress** • H.R. 1083, J. Huffman (D-CA) **114th Congress** • S, 2472, J. Merkley (D-OR) • H.R. 5450, J. Huffman (D-CA)	Mandatory	Any employee who does not have the opportunity to participate in a defined contribution plan maintained by his or her employer would be automatically enrolled in an American Savings Account (ASA) at the default rate of 3%. Collectively bargained employees would be exempt from this mandate. States that maintain their own retirement programs for private sector employers could prohibit employers from making contributions to an American Savings Account on behalf of their employees. The American Savings Account program would be modeled on the Thrift Savings Plan (TSP) for federal employees. Any employer that fails to make a required contribution to an ASA would be treated as if the employer had willfully failed to collect a tax in the amount of the required contribution.	All employers who do not provide the opportunity for employees to participate in a defined contribution plan and whose employees are not covered by a collective bargaining agreement.	Affected employers would be required to automatically enroll all eligible employees at a default rate of 3%. An individual would be eligible to contribute to an ASA if the individual is not eligible to participate in a plan maintained by the employer and not covered by a collective bargaining agreement. Any employee who is eligible to contribute to an ASA and who does not elect to have at least 5% of compensation contributed will have their contribution	ASAs would invest in the same funds available to federal employees through the TSP (or similar investments).	American Savings Accounts would be treated in a manner similar to IRAs. Employees would have the ability to make traditional pre-tax contributions or Roth contributions.

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				automatically escalate at a rate of .5% annually. Contributions to an ASA would be subject to the defined contribution plan limits in Code section 415(c). ASAs could receive eligible rollover distributions.		
PATRIOT EMPLOYER TAX CREDIT **<u>115th Congress</u>** • S. 1778, S. Brown (D-OH) • H.R. 3925, J. Schakowsky (D-IL) **<u>114th Congress</u>** • S. 1486, R. Durbin (D-IL) • H.R. 2619, J. Schakowsky (D-IL) **<u>113th Congress</u>** • S. 2540, R. Durbin (D-IL) • H.R. 5372, J. Schakowsky (D-IL)	Voluntary	A new tax credit that would be available to all "Patriot Employers." In order to qualify as a Patriot Employer, an employer would have to be headquartered in the United States, not be an expatriated entity, and satisfy a series of conditions dictating where the employers' employees perform services and how the employer's employees are compensated for their services. The actual conditions for determining whether an employer is a Patriot Employer would depend on the employer's size The credit would equal 10% of any wages paid by the employer up to $15,000 per employee.	One condition for the Patriot Employer Tax Credit would require large employers with more than 50 employees to meet certain conditions regarding retirement plan coverage.	Employers with more than 50 employees would only be eligible for the Patriot Employer Tax Credit if at least 90% of the employer's employees who are not highly compensated employees are eligible to participate in either: • A defined contribution plan making 5% nonelective contributions; or • A defined contribution plan that automatically enrolls employees at a default rate of 5%, and provides for a matching contribution of not less than 5%; or • A defined benefit plan that provides	N/A	N/A

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				a minimum benefit specified by statute.		

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
Bipartisan Policy Center: Report of the Commission on Retirement Security and Personal Savings	Mandatory	The Bipartisan Policy Center's (BPC's) Report of the Commission on Retirement Security and Personal Savings recommends a two-step approach for broadening retirement plan coverage. Step 1: The first step calls for open MEPs, modified *my*RAs, and a new automatic enrollment safe harbor. • ***Open MEPs***: The BPC plan calls for open MEPs that would be available to all employers with fewer than 500 employees. Employers that adopt open MEPs would have no fiduciary liability, very limited administrative responsibilities, and would be shielded from nondiscrimination and top-heavy testing provided that they adopt safe-harbor enrollment and contribution schemes. Open MEP plan sponsors would be responsible for most administrative and fiduciary duties, including the selection of investment options. The BPC plan would eliminate the one-bad-apple-rule. Open MEPs would be required to undergo a rigorous certification process before employers could participate. The new certification process would be administered by a board composed of members appointed by the Labor Department, Treasury Department, Pension Benefit Guaranty Corporation, and Consumer Financial Protection Bureau. • ***Modified myRAs***: The BPC plan calls for an enhanced *my*RA program that would permit employer contributions and automatic enrollment. • ***Automatic Enrollment Safe Harbor***: The BPC plan calls for an enhanced automatic enrollment safe harbor that would exempt ERISA plans from all nondiscrimination and top-heavy testing. In order to qualify for the safe harbor, employers must: (1) automatically enroll employees at a default rate of at least 3% and no more than 10%; (2) automatically enroll non-participating employees as if they were new employees every 3 years; and (3) automatically escalate the default deferral percentage by at least 1%, but no more than 2%, each year. Additionally, under the BPC plan, smaller employers would not be required to make nonelective or matching contributions in order to qualify for the safe harbor. However, the contribution limits for plans sponsored by smaller employers would depend on whether or not the employer makes a contribution and the size of the contribution. Those contribution limits would be determined based on a sliding scale for those employers. Step 2: The second step of BPC's plan would require all employers that do not already offer a retirement plan to their employees to automatically enroll all of their employees into a new open MEP or *my*RA. Additional Reforms: In addition to the two-step framework discussed above, the BPC plan also recommends the following reforms: • A new type of Saver's Credit for workers between the ages of 18 and 35 that would match contributions on a dollar for dollar basis up to $500 ($1,000 for joint filers) per year. The new Saver's Credit would be phased out as income increases. • Increasing the current start-up credit for small employers to a maximum of $4,500 per year. The start-up credit would be limited to employers who adopt the new automatic enrollment safe harbor described above. • Establishing a new credit of up to $1,500 per year for employers who adopt automatic enrollment. • Creating a private sector clearinghouse to help individuals consolidate retirement assets. • Capping an individual's overall savings in a defined contribution plan or IRA at $10 million. • Prohibiting "stretch IRAs." • Exempting aggregate accounts under $100,000 from the required minimum distribution rules.				

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment

Proposal	Mandatory/ Voluntary	Description	Employers Affected	Contribution Structure	Investment of Contributions	Tax Treatment
THE RETIREMENT SAVINGS PLAN Designed by Theresa Ghilarducci, an economist at The New School, and Hamilton "Tony" James, the President and COO of the Blackstone Group	Mandatory	The Retirement Savings Plan (RSP) is a proposal for a national individual account-based retirement system that would build upon the existing Social Security infrastructure.	All employers would be required to contribute to RSP.	RSP would expand upon the existing Social Security system by requiring every employer and employee to contribute to a new individual retirement account, known as a Guaranteed Retirement Account (GRA). RSP would require an automatic 3% contribution up to $250,000 split evenly between the employer (1.5%) and the employee (1.5%). Every employee making a contribution would also receive a $600 tax credit that is intended to "cover" the cost of the mandatory contribution for individuals who are at or below the annual median income level of $40,000. Employees could also make optional contributions above the mandatory 1.5%.	RSP would allow individuals to select portfolio managers from a national exchange to invest funds held in their GRA. Portfolio managers would then pool the GRA amounts to invest in assets like real estate, private equity, managed futures, and commodities under a long-term investment strategy. Each GRA would automatically be annuitized upon an individual's retirement or disability. Other withdrawal benefits would not be permitted. Pre-annuitization accounts could be inherited by a deceased participant's spouse. Annuitized accounts would not be inheritable. Retirees with annual income exceeding $250,000	

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					from sources other than their GRA would not be eligible to receive that year's annuity payment. Instead, those retirees would receive a tax deduction equal to that year's foregone annuity payment. When employees go to annuitize their account, the federal government would guarantee that each account earned a minimum average return of 2%.	
OPEN THRIFT SAVINGS PLAN TO PRIVATE EMPLOYEES Proposed by Senator M. Rubio (R-FL), no bill	Voluntary	Senator Rubio has proposed to open the Federal government's DC plan for public employees (the Thrift Savings Plan) to Americans whose workplaces do not currently offer plans. The TSP has five investment options: The G Fund (Treasury securities); the S Fund (small cap stocks); the C Fund (large and medium cap stocks); the I Fund (international stocks); and the F Fund (Government, corporate, and mortgage-backed bonds). The TSP offers a series of target date funds – the L Funds – which are a mix of the other five funds.	It appears that only individuals who do not have a plan at work would be able to participate.	Unclear, although no employer contributions would be allowed.	The TSP options would be used. TSP is also developing a mutual fund window; it is not clear if this would be available to non-Federal employees.	Presumably, the tax treatment would be identical to other defined contribution plans.

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