



AMERICAN BENEFITS  
COUNCIL

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## **Council commends Ways and Means approval of bipartisan retirement savings provisions** *SECURE Act includes several critical provisions for workers*

WASHINGTON, DC - "Today, the U.S. House of Representatives Ways and Means Committee made strides in advancing retirement security for Americans," said Lynn Dudley, American Benefits Council senior vice president, global retirement and compensation policy, upon the committee's strong bipartisan approval of the Setting Every Community Up for Retirement Enhancement (SECURE) Act."

"We commend Committee Chairman Richard Neal (D-MA), the committee's ranking Republican, Kevin Brady (R-TX) and representatives Ron Kind (D-WI) and Mike Kelly (R-PA) for including a number of important provisions that, if enacted, will improve retirement security for retirement plan participants," Dudley said.

In a letter submitted to Neal and Brady prior to the hearing, the Council highlighted the vital provisions included in the bill, including reforms to non-discrimination test for "closed" defined benefit pension plans. "Fixing this problem is an urgent matter that Congress can no longer delay. Each year that passes without the necessary legislation correction results in more companies facing the choice of freezing the plan or failing the nondiscrimination tests," the letter said.

The SECURE Act also includes a number of other valuable provisions that will strengthen retirement savings, such as:

- Expansion of open multiple employer plans (open MEPs) reforms that will reduce the cost of plan sponsorship and improve retirement coverage.
- The age 70½ trigger for required minimum distributions would be raised to age 72, effective for distributions after 2019 with respect to individuals who attain age 70½ after 2019.

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- The automatic escalation 10% cap would be increased to 15% on safe harbor automatic enrollment arrangements.
- Premiums paid to the Pension Benefit Guaranty Corporation (PBGC) by plans serving multiple charities or cooperatives (CSEC plans) would be reduced to the levels in effect before 2006, consistent with both funding rule changes and the very low risk these plans pose to the PBGC.
- A workable fiduciary safe harbor would be added for plan sponsors that voluntarily select an annuity provider for defined contribution retirement savings plans.
- Portability of lifetime income products voluntarily offered in defined contribution plans would be improved.

“Thanks to the leadership and persistence of the bill’s sponsors – and the broad, bipartisan support for the legislation – Congress has taken significant steps toward improving retirement savings outcomes for American workers,” said Dudley. “We will continue to work with policymakers to support innovative plan sponsors that work to improve the financial wellness of their employees.”

To read the Council’s letter, [click here](#).

For more information on global retirement and compensation policy, or to arrange an interview with Dudley, contact Jason Hammersla, Council vice president, communications, at [jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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