



Legislative Update

Summer 2019

Several bills which were introduced in the last session of Congress have reappeared in the current 116th edition. This is not unusual. Some bills garner support, but may not be signed into law for a variety of reasons, including differing policy approaches, the composition of the Congress, dueling legislative priorities, the inclusion of controversial provisions, a collective preference for a regulatory solution, or just plain politics.



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One key bill which is back this time around is the Lifetime Income Disclosure Act (listed in the below “Annuities” category). The bill would require plan sponsors to show on the participant’s quarterly pension benefit statement, at least annually, the projected monthly income they could anticipate receiving at retirement if they took distributions as annuities (based on the amount of money in their accounts). The bill would also direct the Department of Labor (DOL) to issue (a) a model disclosure and (b) factors that employers may use in calculating an annuity equivalent.

The basic provisions of the Lifetime Income Disclosure Act are also included within the comprehensive Setting Every Community Up for Retirement Enhancement Act of 2019 (also known as the SECURE Act, listed in the below “Retirement reform” category). Among many other features, the SECURE Act would (a) raise the required minimum distribution (RMD) age from 70-1/2 to 72 for both retirement plans and IRAs; (b) extend plan eligibility to certain long-term, part-time employees; (c) allow penalty-free distributions (up to \$5,000) upon the birth or adoption of a child; (d) expand the uses of 529 accounts to pay back student loans (up to \$10,000) and cover apprenticeship costs; (e) increase the cap on auto-escalation in safe-harbor plans from 10% to 15%; (f) include an open multiple employer plan (MEP) provision; and (g) include a modified “stretch” provision for both defined contribution (DC) plans and individual retirement accounts (IRAs) under which an individual who inherits (other than “eligible designated beneficiaries”, defined as a surviving spouse, minor child, disabled, or chronically ill beneficiary or any other person who is not more than 10 years younger than the participant/IRA owner) must draw down the assets over a 10-year period.

The SECURE Act was passed by the House on May 23, 2019. As of this writing, the Senate may either pass the SECURE Act as is or reconcile it with the provisions of the similar Retirement Enhancement and Savings Act (RESA) (also listed in the “Retirement reform” category) reintroduced in the Senate in April.

On the regulatory front, the Securities and Exchange Commission (SEC) issued on June 5 its final rulemaking on standards of conduct for broker-dealers and investment advisors. The SEC has provided a compliance date of June 30, 2020 for registered broker-dealers to comply with Regulation Best Interest, which imposes an enhanced standard of conduct on broker-dealers when they provide recommendations to retail customers regarding a securities transaction or an investment strategy involving securities. Under Regulation Best Interest, a broker-dealer must act in the retail customer’s best interest and cannot place their own interests ahead of the customer’s interests.

The following represent bills that are actively being considered by Congress at this time. For more information on these and other bills, visit the [Library of Congress website](#).

Bill	Description	Outlook/Introduction Date
Annuities		
<p>Lifetime Income Disclosure Act HR 2367 Rep. Pocan, D-WI</p>	<p>The bill would amend the Employee Retirement Income Security Act of 1974 (ERISA) to require a lifetime income disclosure, which will set forth the lifetime income stream equivalent of the total benefits accrued with respect to the participant or beneficiary. Such disclosure would be provided on one statement during any one 12-month period.</p>	<p>Introduced April 25, 2019. Referred to the Education and Labor Committee.</p> <p>Similar bill (S 1574) introduced in the Senate by Sen. Isakson, R-GA, on May 21, 2019.</p>
<p>Increasing Access to a Secure Retirement Act HR 1439 Rep. Walberg, R-MI</p>	<p>The bill would amend the Employee Retirement Income Security Act of 1974 (ERISA) to provide a fiduciary safe harbor for the selection of a lifetime income provider.</p> <p>If enacted, the bill would help remove a significant barrier to the inclusion of annuity options in retirement plans.</p>	<p>Introduced Feb. 28, 2019. Referred to the Education and Labor Committee.</p>
Church-controlled organizations		
<p>A bill to amend the Internal Revenue Code of 1986 (IRC) to clarify the retirement income account rules relating to church-controlled organizations. S 836 Sen. Roberts, R-KS</p>	<p>This bill modifies the tax rules for retirement accounts maintained by church-controlled organizations. The bill specifies that a retirement income account provided by a church, a convention, or an association of churches may cover (1) a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry, regardless of the source of his compensation; (2) an employee of a tax-exempt organization, whether a civil law corporation or otherwise, that is controlled by or associated with a church, a convention, or an association of churches; and (3) certain employees who have been separated from service with a church, a convention, or an association of churches, or an organization described above.</p>	<p>Introduced March 14, 2019. Referred to the Finance Committee.</p>
Distributions		
<p>Tax Extender and Disaster Relief Act of 2019 S 617 Sen. Grassley, R-IA</p>	<p>Among other features, the bill includes provisions that concern the use of funds from retirement plans to address losses and circumstances facing account holders after disasters take place.</p>	<p>Introduced Feb. 28, 2019. Placed on the Senate Legislative Calendar.</p>

Expanding Penalty Free Withdrawal Act of 2019 HR 1295 Rep. Watson Coleman, D-NJ	This bill would amend the Internal Revenue Code of 1986 (IRC) to expand the availability of penalty-free distributions to unemployed individuals from retirement plans.	Introduced Feb. 14, 2019. Referred to the Ways and Means Committee.
Form 5500		
To avoid duplicative annual reporting under the IRC and ERISA HR 982 Rep. Sanchez, D-CA	This bill would allow employers and sole proprietors participating in similar retirement plans to file a single aggregated Form 5500.	Introduced Feb. 5, 2019. Referred to the Ways and Means, and Education and Labor Committees. A similar bill (S 354) was introduced in Senate by Sen. Warner, D-VA, on Feb. 6, 2019.

Bill	Description	Outlook/Introduction Date
IRAs		
Legacy IRA Act S 1257 Sen. Cramer, R-ND	The bill would amend the IRC to expand tax-free distributions from IRAs to include rollovers for life-income plans for charitable purposes.	Introduced April 30, 2019. Referred to Finance Committee.
Graduate Student Savings Act of 2019 S 448 Sen. Warren, D-MA	This bill would allow funds paid to an individual to aid in the pursuit of graduate or postdoctoral study or research to be saved in an individual retirement account (IRA).	Introduced Feb. 12, 2019. Referred to the Finance Committee.
Multi-employer plans		
Pension Accountability Act S 833 Sen. Portman, R-OH	This bill would amend ERISA and the IRC with respect to participant votes on the suspension of benefits under multi-employer plans in critical and declining status.	Introduced March 14, 2019. Referred to the Health, Education, Labor and Pensions Committee.
Rehabilitation for Multi-Employer Pensions Act HR 397 Rep. Neal, D-MA	This bill would establish the Pension Rehabilitation Administration within the Department of Treasury and a related trust fund to make loans to certain multi-employer defined benefit pension plans. To receive a loan, a plan must be either in critical and declining status (including any plan with respect to which a suspension of benefits has been approved) or insolvent, if the plan became insolvent after Dec. 16, 2014, and has not been terminated.	Introduced Jan. 9, 2019. Referred to the Ways and Means, Education, and Labor and Appropriations Committees. Committee consideration and mark-up session held on June 11, 2019. This legislative solution to the widespread underfunding of multi-employer plans (typically, defined benefit pension plans for union employees) has significant support.
Pooled employer plans		
Retirement Security for American Workers Act HR 1907 Rep. Buchanan, R-FL	This bill would modify the qualification requirements with respect to certain MEPs with pooled plan providers.	Introduced March 27, 2019. Referred to the Ways and Means, and Education and Labor Committees.

Bill	Description	Outlook/Introduction Date
Public employee pensions		
<p>A bill to amend the IRC to clarify the treatment of certain retirement plan contributions picked up by governmental employers HR 3213 Rep. Roe, R-TN</p>	<p>This bill would clarify the treatment of certain retirement plan contributions picked up by governmental employers.</p>	<p>Introduced June 11, 2019. Referred to the Ways and Means Committee.</p>
<p>First Responder Fair RETIRE Act HR 1256 Rep. Connolly, D-VA</p>	<p>The bill would permit disabled law enforcement officers and other specified categories of employees to receive retirement benefits in the same manner as if they had not been disabled.</p>	<p>Introduced Feb. 14, 2019. Referred to the Oversight and Reform, Intelligence and Foreign Affairs Committees.</p> <p>A similar bill (S 531) was introduced in the Senate by Sen. Tester, D-MT on Feb. 14, 2019.</p>
<p>Law Enforcement Officers Equity Act HR 1195 Rep. King, R-NY</p>	<p>This bill would amend the IRC to include certain federal positions within the definition of "law enforcement officer" for retirement purposes.</p>	<p>Introduced Feb. 13, 2019. Referred to the Oversight and Reform Committee.</p> <p>A similar bill (S 473) was introduced in the Senate by Sen. Booker, D-NJ on Feb. 13, 2019.</p>

Bill	Description	Outlook/Introduction Date
Retirement reform		
Expanding Access to Retirement Savings for Caregivers Act HR 3078 Rep. Rouda, D-CA	This bill would amend the IRC to reduce the age for making catch-up contributions to retirement accounts to take into account time out of the workforce to provide dependent care services.	Introduced June 4, 2019. Referred to the Ways and Means Committee.
POWER Act (Providing Opportunity for Women Entering Retirement Act of 2019) S 1672 Sen. Jones, D-AL	The bill would amend the Older Americans Act of 1965 to authorize the National Resource Center on Women and Retirement Planning.	Introduced May 23, 2019. Referred to the Health, Education, Labor and Pensions Committee.
Commission on Retirement Security Act of 2019 S 1435 Sen. Young, R-IN	This bill establishes within the executive branch the Commission on Retirement Security to (1) conduct a comprehensive study of the state of retirement security, and (2) submit to Congress recommendations on how to improve or replace existing private retirement programs.	Introduced May 13, 2019. Referred to the Health, Education, Labor and Pensions Committee.
Retirement Security and Savings Act of 2019 S 1431 Sen. Portman, R-OH	Among many other features, this comprehensive bill would (a) streamline the notice and disclosure rules applicable to retirement plans, including simplifying the 402(f) notices; (b) expand the Saver's credit and make it refundable; (c) permit employers to make "matching contributions" based on student loan repayments; and (d) allow 403(b) investments in collective investment trusts, if the 403(b) plan is subject to ERISA, if the plan sponsor accepts fiduciary responsibility, and if the plan is a governmental plan.	Introduced May 13, 2019. Referred to the Finance Committee.
Retirement Parity for Student Loans Act S 1428 Sen. Wyden, D-OR	This bill would amend the IRC to permit treatment of student loan payments as elective deferrals for purposes of employer matching contributions	Introduced May 13, 2019. Referred to the Finance Committee.
Women's Retirement Protection Act of 2019 HR 2005 Sen. Young, R-IN	This bill would amend ERISA to provide for greater spousal protection under DC plans.	Introduced April 1, 2019. Referred to the Education and Labor, and Financial Services Committees. Similar bill (S 975) introduced in the Senate by Sen. Murray, D-WA, on April 1, 2019.

<p>Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) HR 1994 Rep. Neal, D-MA</p>	<p>Among many other features, the SECURE Act would (a) raise the required minimum distribution (RMD) age from 70-1/2 to 72 for both retirement plans and IRAs; (b) extend plan eligibility to certain long-term, part-time employees; (c) allow penalty-free distributions (up to \$5,000) upon the birth or adoption of a child; (d) expand the uses of 529 accounts to pay back student loans (up to \$10,000) and cover apprenticeship costs; (e) increase the cap on auto-escalation in safe-harbor plans from 10% to 15%; (f) include an open MEP provision; and (g) include a modified “stretch” provision for both DC plans and IRAs under which an individual who inherits (other than “eligible designated beneficiaries,” defined as a surviving spouse, minor child, disabled or chronically ill beneficiary, or any other person who is not more than 10 years younger than the participant/IRA owner) must draw down the assets over a 10-year period.</p>	<p>Introduced March 29, 2019. Referred to the Education and Labor, and Ways and Means Committees.</p> <p>The SECURE Act was passed by the House on May 23, 2019.</p>
<p>Family Savings Act of 2019 HR 1084 Rep. Kelly, R-PA</p>	<p>Among other features, this comprehensive bill would: (a) establish open multiple employer plans (MEPs), (b) repeal the maximum age for traditional IRA contributions, (c) provide for the portability of lifetime income investments, (d) allow an increase in the 10% cap for the automatic enrollment safe harbor after the first plan year, (e) increase the credit limitation for small employer pension plan startup costs, (f) provide an exemption from required minimum distributions for individuals with specified account balances, (g) provide for a fiduciary safe harbor for the selection of a lifetime income provider, (h) expand Section 529 plans, and (i) allow penalty-free withdrawals from retirement plans for individuals in the case of the birth or adoption of a child.</p>	<p>Introduced Feb. 7, 2019. Referred to the Ways and Means, Education, and Labor and Budget Committees.</p>
<p>Retirement Enhancement and Savings Act of 2019 (RESA) HR 1007 Rep. Kind, D-WI</p>	<p>Among other features, this comprehensive bill would: (a) establish open MEPs, (b) set rules creating a safe harbor for the selection of lifetime income providers, (c) repeal the maximum age for contributions to a traditional IRA, (d) provide for the portability of lifetime income options, (e) modify required minimum distribution rules for pension plans, and (f) otherwise expand and preserve retirement savings.</p>	<p>Introduced Feb. 6, 2019. Referred to the Ways and Means, and Education and Labor Committees. Similar bill (S 972) introduced in Senate on April 1, 2019 by Sen. Grassley, R-IA.</p>

<p>SIMPLE Plan Modernization Act S 322 Sen. Collins, R-ME</p>	<p>The bill would amend the IRC to promote retirement savings on behalf of small business employees by making improvements to Savings Incentive Match Plan for Employees (SIMPLE) retirement accounts and easing the transition from a SIMPLE plan to a 401(k) plan.</p>	<p>Introduced Feb. 4, 2019. Referred to the Finance Committee.</p>
<p>Retirement Security Act of 2019 S 321 Sen. Collins, R-ME</p>	<p>This bill would amend the IRC to modify safe harbor requirements applicable to automatic contribution arrangements.</p>	<p>Introduced Feb. 4, 2019. Referred to the Finance Committee.</p>

Savings accounts

<p>Saving for the Future Act S 1053 Sen. Coons, D-DE</p>	<p>The bill would establish a universal personal savings program.</p>	<p>Introduced April 4, 2019. Referred to the Finance Committee.</p> <p>Similar bill (HR 2120) introduced in the House by Rep. Peters, D-CA, on April 8, 2019.</p>
<p>Strengthening Financial Security Through Short-term Savings Accounts Act of 2019 S 1019 Sen. Jones, D-AL</p>	<p>This bill would allow employers to offer short-term accounts with automatic contribution arrangements for financial emergencies.</p>	<p>Introduced April 3, 2019. Referred to the Health, Education, Labor and Pensions Committee.</p>
<p>Refund to Rainy Day Savings Account S 1018 Sen. Booker, D-NJ</p>	<p>This bill requires the Department of the Treasury to establish and implement a Refund to Rainy Day Savings Program to permit a taxpayer to defer payment on 20% of a tax refund to be deposited into a Treasury account, accumulate interest, and be disbursed to the taxpayer in six months.</p>	<p>Introduced April 3, 2019. Referred to the Health, Education, Labor and Pensions Committee. Similar bill (HR 2112) introduced in the House by Rep. Watson Coleman, D-NJ, on April 4, 2019.</p>

Bill	Description	Outlook/Introduction Date
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Section 529 and other education savings plans

<p>529 OPTIONS Act HR 2679 Rep. Norcross, D-NJ</p>	<p>This bill allows tax-free distributions from qualified tuition programs (known as 529 plans) to be used for certain expenses associated with registered apprenticeship programs.</p>	<p>Introduced May 10, 2019. Referred to the Ways and Means Committee.</p>
<p>A bill to amend the IRC to permit amounts paid for programs to obtain a recognized post-secondary credential or a license to be treated as qualified higher education expenses for the purposes of a 529 account S 379 Sen. Klobuchar, D-MN</p>	<p>The bill would allow tax-exempt distributions from qualified tuition programs (known as 529 plans) to be used for expenses required for programs to obtain a recognized post-secondary credential or occupational license. A "recognized post-secondary credential" is a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or federal government, or an associate or baccalaureate degree.</p>	<p>Introduced Feb. 7, 2019. Referred to the Finance Committee.</p>

529 Expansion and Modernization Act of 2019 S 220 Sen. Gardner, R-CO	The bill would amend the IRC to provide for distributions from 529 programs to pay apprenticeship and qualified early education expenses.	Introduced Jan. 24, 2019. Referred to the Finance Committee.
Enhancing Educational Opportunities for Home School Students Act HR 65 Rep. Banks, R-IN	This bill would allow distributions from tax-favored qualified tuition programs (known as 529 plans) to be used for certain expenses in connection with a homeschool (whether treated as a homeschool or a private school for the purposes of state law).	Introduced Jan. 3, 2019. Referred to the Ways and Means Committee.

Bill	Description	Outlook/Introduction Date
Social Security		
CPI for Seniors Act of 2019 HR 2787 Rep. Lipinski, D-IL	The bill would mandate the monthly formulation and publication of a consumer price index specifically for senior citizens for the purpose of establishing an accurate Social Security cost of living for such citizens.	Introduced May 16, 2019. Referred to the Education and Labor Committee.
Strengthening Social Security Act of 2019 HR 2654 Rep. Sanchez, D-CA	The bill would improve the retirement security of American families by strengthening Social Security. Among other features, it would (a) change the determination of taxable wages and self-employment income above the contribution and benefit base; (b) adjust the bend points in determining the primary insurance amount and the inclusion of surplus earnings for benefit determinations; and (c) improve Social Security benefits for widows and widowers in two-income households.	Introduced May 9, 2019. Referred to the Ways and Means, and Education and Labor Committees.
Protecting and Preserving Social Security Act S 1132 Sen. Hirono, D-HI	This bill revises the methodology for calculating Old Age, Survivors, and Disability Insurance (OASDI) benefits and phases out the cap on compensation subject to Social Security taxation.	Introduced April 10, 2019. Referred to the Finance Committee. Similar bill (HR 2302) introduced in the House by Rep. Deutch, D-FL, on April 12, 2019.
Social Security Fairness Act for Firefighters and Police Officers Act S 710 Sen. Toomey, R-PA	This bill would exempt firefighters and police officers from the Government Pension Offset and Windfall Elimination Provisions under the Social Security Act.	Introduced March 7, 2019. Referred to the Finance Committee.
Protecting Our Widows and Widowers in Retirement (POWR) Act	This bill would amend the Social Security Act to improve social security benefits for widows and widowers in two-income	Introduced March 5, 2019. Referred to the Ways and Means Committee.

<p>HR 1540 Rep. Sanchez, D-CA</p> <p>Surviving Widow(er) Income Fair Treatment Act of 2019 or SWIFT Act S 345 Sen. Casey, D-PA</p>	<p>households.</p> <p>The bill would amend the Social Security Act to increase survivors benefits for disabled widows, widowers and surviving divorced spouses.</p>	<p>Introduced Feb. 16, 2019. Referred to the Finance Committee.</p>
<p>Social Security and Medicare Lock-Box Act HR 1215 Rep. Walberg, R-MI</p>	<p>The bill would amend the Social Security Act to establish a Social Security surplus protection account in the Federal Old-Age and Survivors Insurance trust fund to hold the Social Security surplus, to provide for suspension of investment of amounts held in the account until the enactment of legislation providing for investment of the trust fund in investment vehicles other than obligations of the United States, and to establish a Social Security Investment Commission to make recommendations for alternative forms of investment of the Social Security surplus in the trust fund.</p>	<p>Introduced Feb. 13, 2019. Referred to the Ways and Means Committee.</p>
<p>Social Security 2100 Act HR 860 Rep. Larson, D-CT</p>	<p>Among other features, this comprehensive bill would (a) provide for an across-the-board benefit increase, (b) provide a more accurate cost-of-living adjustment, (c) increase the minimum benefit for lifetime low earners based on years in the workforce, and (d) include earnings over \$400,000 in the Social Security benefit formula.</p>	<p>Introduced Jan. 30, 2019. Referred to the Ways and Means, Education, and Labor, Energy and Commerce Committees.</p> <p>While this bill has a very large number of co-sponsors, reaching consensus on Social Security enhancements has traditionally been politically contentious.</p> <p>A similar bill (S 269) was introduced in Senate by Sen. Blumenthal, D-CT on Jan. 30, 2019.</p>

<p>Save Social Security Act of 2019 HR 567 Rep. Crist, D-FL</p>	<p>The bill would amend the Social Security Act and the IRC to modify the portion of wages and self-employment income subject to payroll taxes; the benefit formula would include earnings in excess of \$300,000.</p>	<p>Introduced Jan. 15, 2019. Referred to the Ways and Means Committee.</p>
<p>Bipartisan Social Security Commission Act of 2019 HR 289 Rep. Cole, R-OK</p>	<p>The bill would establish the commission on Long-Term Social Security Solvency.</p>	<p>Introduced Jan. 8, 2019. Referred to the Ways and Means and Rules Committees.</p>
<p>Social Security Fairness Act of 2019 HR 141 Rep. Davis, R-IL</p>	<p>This bill would amend the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions.</p>	<p>Introduced Jan. 03, 2019. Referred to the Ways and Means Committee.</p> <p>Similar bill (S 521) introduced in Senate on Feb. 14, 2019 by Sen. Brown, D-OH.</p>

Source: Library of Congress, as of June 12, 2019

IRA = Individual Retirement Account

DOL = Department of Labor

ERISA = Employee Retirement Income Security Act

IRC = Internal Revenue Code

SSA = Social Security Act

HR = House of Representatives

S = Senate

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