Pending Acts

Secure 2.0 Senate Version is not yet in legislative form, but is expected to combine EARN and Rise & Shine provisions in its final form.

Enhancing American Retirement Now Act (EARN)[i] – not in legislative form	**Retirement Improvement and Savings Enhancement to Supplement Health Investments for the Nest Egg (Rise & Shine)[ii] – (S. 4353)[iii]**	**Secure 2.0[iv] – (H.R. 2954)[v]**
- **Likely to be combined with Rise & Shine** - **Senate Finance Committee passed**	- **Likely to be combined with EARN** - **Introduced in Senate; Approved by Senate Health, Education, Labor, and Pensions Committee**	- **Passed House (414-5)** - **Senate making final form**
1. Secure Deferral Arrangements (A. Individual Retirement) - Alternative method of satisfying non-discrimination testing. If offered by "small" employer, eligible for tax credit (sec. 601) - Require default contributions to be no lower than 6% in first year, increase 1% per year until the fifth and later years, in which the default must be at least 10% - Require employer matching contributions of 100% of the first 2% of deferred compensation, 50% of the next 4% deferred, and 20% of the next 4% deferred - Effective after 2023		
2. Matching Payments for Elective Deferral and IRA Contributions by Certain Individuals (A. Individual Retirement) - Modify credit with respect to IRA and retirement plan contributions by changing it from a credit paid in cash as part of a tax refund to a government matching contribution that must be deposited into a taxpayer's IRA or retirement plan		

- Credit would be 50% of IRA or retirement plan contribution up to $2,000 per individual; Credit rate would phase out between $41,000 and $71,000 in the case of taxpayers filing joint return ($20,500 to $71,000 for single taxpayers and married filing separate; $30,750 to $53,250 for head of household filers) - Effective for years after 2026		
3. Modification of Participation Requirements for Long-Term, Part-Time Workers (A. Individual Retirement) - Reduce SECURE Act 3 year requirement to 2 years - requiring employers with 401(k) plan to permit employees with at least 500 hours of service in 3 consecutive years to 2 years - Effective after 2022	Improving Coverage for Part-Time Workers (Sec. 109, RISE) - Reduces the requirement for part-time workers to participate in an employers' retirement savings plan from 3 years of service with the employer to 2 years - Effective at least 1 year after final regulations implementing section are promulgated	Improving coverage for part-time workers (Sec. 116, Expanding Coverage and Increasing Retirement Savings) - Reduce SECURE Act 3 year requirement to 2 years – requiring employers with 401(k) plan to permit employees with at least 500 hours of service - Effective after 2022
4. Treatment of Student Loan Payments as Elective Deferrals for Purposes of Matching Contributions (A. Individual Retirement) - Permit employers to provide matching contributions under 401(k) and other tax-preferred retirement plans for employee student loan payments as if they were elective deferrals - Effective after 2023		Treatment of student loan payments as elective deferrals for purposes of matching contributions (Sec. 111, Expanding Coverage and Increasing Retirement Savings) - Allow employers to provide matching contributions to a defined contribution plan on account of qualified student loan payments as if it is an elective deferral or elective contribution - Effective after 2022
5. Withdrawals for Certain Emergency Expenses (A. Individual Retirement) - Provide exception for certain distributions used for emergency expenses, which are unforeseeable or immediate financial needs relating to personal or family emergency expenses - Only one distribution permissible per year of up to $1,000, and a taxpayer would have the option to repay the distribution within 3 years; No	Emergency Savings Accounts Linked to Defined Contribution Plans (Sec. 202, ESA) - Provides employers the option to offer pension-linked emergency savings accounts, which may automatically opt employees into these accounts at no more than 3% of their salary; accounts capped at $2,500 (or lower as set by employer)	

further emergency distribution permissible during 3 year period unless repayment occurs - Effective after 2023	- Contributions are made post-tax, and treated as elective deferrals for purposes of retirement matching contributions - Once cap is reached, excess emergency savings contributions return to retirement plan savings	
6. Allow Additional Nonelective Contributions to Simple Plans (A. Individual Retirement) - Permits employer to make additional contributions to each employee of the plan in a uniform manner, provided that the contribution may not exceed the lesser of 10% of compensation or $5,000 (indexed) - Effective after 2023		
7. Small Immediate Financial Incentives for Contributing to a Plan (A. Individual Retirement) - Allow employer to provide a de minimis financial incentive to employees who elect to make contributions - Effective after enactment		Small immediate financial incentives for contributing to a plan (Sec. 114, Expanding Coverage and Increasing Retirement Savings) - Allow employer to provide a de minimis financial incentive to employees who elect to make contributions - Effective after enactment
8. Indexing IRA Catch-Up Limit (A. Individual Retirement) - Index the catch-up limit (present law permitting an IRA owner to contribute an additional $1,000 (unindexed) annually) to the IRA beginning at age 50 - Effective for years after enactment		Indexing IRA catch-up limit (Sec. 107, Expanding Coverage and Increasing Retirement Savings) - Increase $1,000 amount from Sec. 219(b)(5) of Internal Revenue Code equal to such dollar amount, multiplied by cost-of-living adjustment, rounded to next lower multiple of $100 - Effective for years after 2023
9. Higher Catch-Up Limit to Apply at Age 60 (A. Individual Retirement) - Permit participants in 401(k) plans (and other tax-preferred retirement plans that allow elective		Higher catch-up limit to apply at age 62, 63, and 64 (Sec. 108, Expanding Coverage and Increasing Retirement Savings)

deferrals) to contribute an additional $10,000 (indexed) annually beginning between age 60 and 63 ($5,000 for simple plans) – current law allows ($6,500 annually, $3,000 for simple plans) - Effective after 2023		- Permit participants in plans other than simple plans to contribute an additional $10,000 annually for those who would attain age 62, but not age 65, before the close of the taxable year ($5,000 for simple plans) - Effective after 2023
10. Eliminate the "first day of the month" requirement for governmental section for 457(b) plans (A. Individual Retirement) - Rule requiring employee deferral elections under governmental section 457(b) plan to be made prior to the date the compensation which is the subject of the election is currently available - Effective after enactment		Eliminate the "first day of the month" requirement for governmental section 457(b) plans (Sec. 309, Simplification and Clarification of Retirement Plan Rules) - Allows elections to be made at any time prior to the date that the compensation being deferred is available - Effective after enactment
11. Tax Treatment of Certain Nontrade or Business SEP Contributions (A. Individual Retirement) - Permit employers of domestic employees (e.g., nannies) to provide retirement benefits for such employees under a SEP - Effective after enactment		
12. Elimination of Additional Tax on Corrective Distributions of Excess Contributions (A. Individual Retirement) - Exempt the excess contribution and earnings allocable to the excess contribution from the 10% additional tax on early distributions - Effective after enactment		
13. Employer May Rely on Employee Certifying that Deemed Hardship Distribution Conditions are Met (A. Individual Retirement)		Employer may rely on employee certifying that deemed hardship distribution conditions are met (Sec. 317, Simplification and Clarification of Retirement Plan Rules)

- Permit a retirement plan to rely on an employee's certification that the conditions for a hardship distribution are satisfied, and provide regulatory authority for exceptions to this reliance (e.g., if the plan has knowledge the hardship conditions are not actually satisfied) - Effective after enactment		- Under certain circumstances, employees will be permitted to self-certify that they have had an event that constitutes a hardship for purposes of taking a hardship withdrawal - Effective after 2022
14. Penalty-Free Withdrawals from Retirement Plans for Individuals in Cases of Domestic Abuse (A. Individual Retirement) - Waive the 10% additional tax that applies to early distributions from tax-preferred retirement accounts (e.g., 401(k) plans and IRAs) in the case of eligible distributions to domestic abuse victims. Eligible distributions are capped at $10,000 (or 50% of the account balance if lesser) and may be recontributed to a tax-preferred retirement account - Effective after enactment		Penalty-free withdrawals from retirement plans for individuals in case of domestic abuse (Sec. 318, Simplification and Clarification of Retirement Plan Rules) - Allows retirement plans to permit participants that self-certify that they experienced domestic abuse to withdraw a small amount of money (the lesser of $10,000 or 50% of the participant's account) - Distribution made under this provision is not subject to a 10% tax on early distributions - Participant can repay withdrawn money to the retirement plan over 3 years and will be refunded for income taxes on money repaid - Effective after enactment
15. Amendments to increase benefit accruals under plan for previous plan year allowed until employer tax return due date (A. Individual Retirement) - Permit an employer to increase benefits provided under its retirement plan for a year up until its tax return due date for such year - Effective for years after enactment		Amendments to increase benefit accruals under plan for previous plan year allowed until employer tax return due date (Sec. 320, Simplification and Clarification of Retirement Plan Rules) - Allow discretionary amendments that increase participants' benefits to be adopted by the due date of the employer's tax return - Effective after 2023

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16. Retroactive first year elective deferrals for sole proprietors (A. Individual Retirement) - Permit sole proprietor of a business to determine amount of his or her elective deferral contributions to the business' retirement plan for the first year of the plan's adoption until his or her tax return due date for such year - Effective for years after enactment		Retroactive first year elective deferrals for sole proprietors (Sec. 321, Simplification and Clarification of Retirement Plan Rules) - Allows plans, when sponsored by sole proprietors or single-member LLCs, to receive employee contributions up to the date of the employee's tax return filing date for initial year - Effective for years after enactment
17. Treasury guidance on rollovers (A. Individual Retirement) - Requires Treasury to simplify and standardize the rollover process by issuing sample forms for direct rollovers that may be used by both the incoming and outgoing retirement plan or IRA - Issuance of forms would be due by Jan. 1, 2025		
18. Exemption for automatic portability transactions (A. Individual Retirement) - Permit a retirement plan service provider to provide employer plans with automatic portability services. Such services involve the automatic transfer of a participant's default IRA (established in connection with a distribution from former employer's plan) into participant's new employer's retirement plan, unless the participant affirmatively elects otherwise - Effective after 2023		
19. Application of section 415 limit for certain employees of rural electric cooperatives (A. Individual Retirement) - Eliminate compensation-based limit for participants who are nonhighly compensated employees and participate in a rural electric cooperative retirement plan		

- Effective after enactment		
20. Insurance dedicated exchange traded funds (A. Individual Retirement) - Direct Treasury to modify the regulations to permit ETFs to be held in the segregated account of a variable insurance contract - Effective (generally) 7 years after enactment		Insurance-dedicated exchange-traded funds (Sec. 203, Preservation of Income) - Direct Treasury to update regulations to reflect the ETF structure to provide that ownership of an ETF's shares by certain types of institutions that are necessary to the ETF's structure would not preclude look-through treatment for the ETF, as long as it otherwise satisfies current-law requirements for look-through treatment - Update no later than 7 years after enactment
1. Increase in age for required beginning date for mandatory distributions (B. Retirees) - Increase age to 75 to require beginning of distributions for tax-preferred retirement savings plans and IRAs	-	Increase in age for required beginning date for mandatory distributions (Sec. 106, Expanding Coverage and Increasing Retirement Savings) - Increase age to 75 to require beginning date of distributions (individual who attains 72 after Dec. 31, 2022, and age 73 before Jan. 1, 2030, the age is 73; individual who attains 73 after Dec. 31, 2029, and age 74 before Jan. 1, 2033, the age is 74; individual who attains 74 after Dec. 31, 2032, the age is 75) - Effective after December 31, 2022
	Updating Dollar Limit for Mandatory Distributions (Sec. 101, RISE) - Increase limit range from between $1,000 and $5,000 to $1,000 and $7,000 for employers' ability to transfer former employees' retirement accounts from a workplace retirement plan into an individual retirement account (IRA) - Effective after 2023	Updating dollar limit for mandatory distributions (Sec. 307, Simplification and Clarification of Retirement Plan Rules) - Increase limit range from between $1,000 and $5,000 to $1,000 and $7,000 for employers' ability to transfer former employees' retirement accounts from a workplace retirement plan into an individual retirement account (IRA) - Effective after 2022

2. Qualifying longevity annuity contracts (QLAC) (B. Retirees) - Eliminate 25% threshold, increase dollar limit to $200,000 (indexed), and clarify that survivor benefits may be paid in the case of divorce - Effective (generally) after enactment		Qualifying longevity annuity contracts (Sec. 202, Preservation of Income) - Repeal the 25% limit with respect to contracts purchased or received in an exchange - Facilitates the sales of QLACs with spousal survival rights, and clarifies that free-look periods are permitted up to 90 days with respect to contracts purchased or received in an exchange on or after July 2, 2014 - Effective after enactment
3. Remove required minimum distribution barriers for life annuities (B. Retirees) - Permit commercial annuity issued by a tax-preferred retirement plan to provide for certain features generally not permitted under present law such as a guaranteed increase in annual annuity payments of up to 5% per year and lump sum payments that reduce the annuity payment period - Effective after enactment		Remove required minimum distribution barriers for life annuities (Sec. 201, Preservation of Income) - Eliminates certain barriers to the availability of life annuities in qualified plans and IRAs that arise under current law due to an actuarial test in the required minimum distribution regulations - Effective after enactment
4. Eliminating a penalty on partial annuitization (B. Retirees) - Permit the account owner (of a tax-preferred retirement account) to elect to aggregate distributions from both portions of the account (annuity and rest of account) for purposes of determining minimum distributions - Effective after enactment		
5. Reduction in excise tax on certain accumulations in qualified retirement plans (B. Retirees) - Reduce the tax rate to 25% (from 50%) for if a taxpayer fails to receive a required minimum		Reduction in excise tax on certain accumulations in qualified retirement plans (Sec. 302, Simplification and Clarification of Retirement Plan Rules)

distribution from an IRA or tax preferred retirement plan, and would further reduce the rate to 10% if the minimum distribution is taken within a correction period (generally ending no later than end of second tax year following year in which distribution should have been made) - Effective after enactment		- Reduces the penalty for failure to take required minimum distributions from 50 to 25 percent - If a failure to take a required minimum distribution from an IRA is corrected in a timely manner, the excise tax on the failure is further reduced from 25% to 10% - Effective after 2022
		Individual retirement plan statute of limitations for excise tax on excess contributions and certain accumulations (Sec. 313, Simplification and Clarification of Retirement Plan Rules) - The statute of limitations starts when the taxpayer files an individual tax return for the year of the violation as opposed to current law (as of the date that a return is filed for the violation) - Effective after enactment
6. Clarification of substantially equal periodic payment rule (B. Retirees) - Current law imposes 10% additional tax on early distributions from tax-preferred retirement accounts, but exception applies to substantially equal periodic payments that are made over the account owner's life expectancy. This exception would continue to be applied if the case of a rollover of the account, an exchange of an annuity providing the payments, or an annuity that satisfies required minimum distribution rules - Effective after enactment		
7. Recovery of retirement plan overpayments (B. Retirees) - Clarify that a tax-preferred employer plan does not violate the tax qualification rules if the plan	Recovery of retirement plan overpayments (Sec. 108, RISE)	Recovery of retirement plan overpayments (Sec. 301, Simplification and Clarification of Retirement Plan Rules)

does not seek repayment or if the plan is amended to account for overpayments - Clarify that a mistaken overpayment for which no repayment is sought is eligible for rollover to another plan or IRA - Effective after enactment	- Clarifies and improves the rules related to recouping overpayments to retirees to help plan sponsors and protect plan participants - Effective after enactment	- Allows retirement plan fiduciaries the latitude to decide not to recoup overpayments that were mistakenly made to retirees - If plan fiduciaries choose to recoup overpayments, limitations and protections apply to safeguard innocent retirees - Rollovers of the overpayments remain valid - Effective after enactment
8. Retirement Savings Lost and Found (B. Retirees) - Treasury required to maintain database providing contact information for employer retirement plans for purpose of assisting participants and beneficiaries in recovering lost plan benefits - Treasury required to hold a participant's account balance in an employer retirement plan if the balance is under $1,000, the employer sought to distribute the account balance because it was immediately distributable (e.g., following termination), and the participant did not affirmatively make an alternative election - An account balance held by Treasury would be treated as being held in an IRA, would credited with interest, and Treasury would periodically notify the owner of his or her distribution rights		Retirement savings lost and found (Sec. 306, Simplification and Clarification of Retirement Plan Rules) - Creates national online searchable lost and found database for Americans' retirement plans at the DOL, to be created no later than 2 years after enactment
9. Roth plan distribution rules (B. Retirees) - Eliminate the pre-death distribution requirement for Roth accounts in employer plans - Effective after 2023		
10. One-time election for qualified charitable distribution to split interest entity; increase in qualified charitable distribution limitation (B. Retirees)		One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable

- Index for inflation, the annual IRA charitable distribution limit of $100,000, effective after 2023 - Expand IRA charitable distribution provision to allow for a one-time, $50,000 distribution to charities through charitable gift annuities, charitable remainder unitrusts, and charitable remainder annuity trusts, effective after enactment		distribution limitation (Sec. 310, Simplification and Clarification of Retirement Plan Rules) - Index for inflation, the annual IRA charitable distribution limit of $100,000, effective after enactment - Expand the IRA charitable distribution provision to allow for a one-time, $50,000 distribution to charities through charitable gift annuities, charitable remainder unitrusts, and charitable remainder annuity trusts effective after enactment
11. Exception to penalty on early distributions from qualified plans for individuals with a terminal illness (B. Retirees) - Provide an exception to the 10% additional tax imposed on early distributions from tax-preferred retirement accounts in the case of a distribution to a terminally ill individual - Effective after enactment		
12. Surviving spouse election to be treated as employee (B. Retirees) - Allow surviving spouse to elect to be treated as the deceased employee for purposes of the required minimum distribution rules - Effective after 2023		
13. Long term care contracts purchased with retirement account distributions (B. Retirees) - Permit retirement plans to distribute up to $2,500 per year for the payment of premiums for certain specified long term care insurance contracts (distributions to pay such premiums would be exempt from the 10% tax on early distributions)		

- Only policies that provide for high quality coverage is eligible for early distribution and waiver of the 10% tax (a policy that would provide meaningful financial assistance in the event that an insured needs home-based assistance or nursing home care) - Treasury would maintain website on consumer education regarding long term care contracts - Effective 3 years after enactment		
1. Military spouse retirement plan eligibility credit for small employers (C. Public Safety Officers and Military) - Provide a tax credit to a small employer (100 or fewer employees) who permits military spouses to participate in the employer's defined contribution plan ($200 per spouse), along with an enhanced credit (up to an additional $300 per spouse) if the employer makes contributions to the plan for the military spouse - Effective after enactment		Military spouse retirement plan eligibility credit for small employers (Sec. 113, Expanding Coverage and Increasing Retirement Savings) - Provide a tax credit to a small employer who makes military spouses eligible, within 2 months of hire, for any matching or nonelective contribution that they would have been eligible for otherwise at 2 years of service, and make the military spouse 100% immediately vested in all employer contributions - Tax credit equals the sum of $250 per spouse and 100% of all employer contributions (up to $250) made on behalf of the military spouse, for a maximum credit of $500. The credit applies for 3 years with respect to each spouse, excluding highly compensated employees - Effective after enactment
2. Distributions to firefighters (C. Public Safety Officers and Military) - An exception to the 10% additional tax on early distributions from tax-preferred retirement savings applies in the case of public safety officers, extending to private-sector firefighters - Effective after enactment		Distributions to firefighters (Sec. 311, Simplification and Clarification of Retirement Plan Rules) - Extends the age 50 rule to private sector firefighters for the 10% tax exception - Effective after 2022

3. Exclusion of certain disability-related first responder retirement payments (C. Public Safety Officers and Military) - Continuation of the gross income exclusion in the case where employers terminate disability payments once the recipient reaches normal retirement age because recipient is eligible for pension benefits - Effective after 2027		Exclusion of certain disability-related first responder retirement payments (Sec. 312, Simplification and Clarification of Retirement Plan Rules) - Permits first responders to exclude service-connected disability pension payments from gross income after reaching retirement age - Effective after 2027
4. Repeal of direct payment requirement on exclusion from gross income of distributions from governmental plans for health and long-term care insurance (C. Public Safety Officers and Military) - Present law provides an exclusion from gross income ($3,000) for a distribution from a governmental retirement plan to a public safety officer to pay for his or her health insurance premiums. The exclusion requires that the plan directly pay the insurance premiums. This provision repeals the direct payment requirement - Effective after enactment		
5. Modification of eligible age for exemption from early withdrawal penalty (C. Public Safety Officers and Military) - The 10% additional tax on early distributions from tax preferred retirement savings plans does not apply to a distribution from a governmental plan to a public safety officer who is at least age 50. Extend the exception to public safety officers with at least 25 years of service with the employer sponsoring the plan - Effective after enactment		

6. Exemption from early withdrawal penalty for certain State and local government corrections employees (C. Public Safety Officers and Military) - Extend public safety officer exception to the 10% early distribution tax to corrections officers who are employees of state and local governments - Effective after enactment		
1. Enhancement of 403(b) plans (D. Nonprofits and Educators) - Permit 403(b) custodial accounts to participate in group trusts with other tax-preferred savings plans and IRAs - Effective after enactment		Enhancement of 403(b) plans (Sec. 105, Expanding Coverage and Increasing Retirement Savings) - Permits 403(b) custodial accounts to invest amounts in collective investment trusts - Effective for amounts invested after 2022
2. Hardship withdrawal rules for 403(b) plans (D. Nonprofits and Educators) - Make technical modifications to conform the hardship distribution rules that apply to 403(b) plans to those that apply to 401(k) plans (allowing hardship distributions to be made from earnings on elective deferrals held in a 403(b) custodial account) - Effective after enactment		Hardship withdrawal rules for 403(b) plans (Sec. 602, Revenue Provisions) - Conforms the 403(b) hardship distribution rules to the 401(k) rules - Effective after 2022
	Pooled Employer Plans Modification (Sec. 104, RISE) - A named fiduciary is responsible for collecting contributions in a PEP and implementing written contribution collection procedures that are reasonable, diligent, and systematic. One or more trustees remain responsible for holding assets of the plan - Effective after 2022	Pooled employer plans modification (Sec. 109, Expanding Coverage and Increasing Retirement Savings) - Designate a named fiduciary (other than an employer in the plan) to be responsible for collecting contributions to the plan and require such fiduciary to implement written contribution collection procedures that are reasonable, diligent, and systematic - Effective after 2022

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3. Multiple employer 403(b) plans (D. Nonprofits and Educators) - SECURE (2019) provides for new rules that encourage the formation of multiple employer defined contribution plans (e.g., 401(k) plans) to allow employers to achieve administrative and cost efficiencies from participation in a much larger plan than would be the case if the plan only covered that employer's employees. - Extend these rules to 403(b) plans - Effective for plan years beginning after enactment	Multiple employer 403(b) plans (Sec. 102, RISE) - Enable 403(b) retirement plans to participate in multiple employer plans and pooled employer plans - Effective after 2022	Multiple employer 403(b) plans (Sec. 110, Expanding Coverage and Increasing Retirement Savings) - Enable 403(b) retirement plans to participate in multiple employer plans and pooled employer plans - Effective after 2022
1. Special rules for use of retirement funds in connection with qualified federally declared disasters (E. Disaster Relief) - Provide permanent rules relating to the use of retirement funds in the case of disaster - The permanent rules would allow up to $22,000 to be distributed from employer retirement plans or IRAs for affected individuals, and such distributions would not be subject to the 10% additional tax and would be taken into account as gross income over 3 years - Distributions would be permitted to be repaid to a tax preferred retirement account - Amounts distributed prior to the disaster to purchase a home would be permitted to be recontributed, and an employer would be permitted to provide for a larger amount be borrowed from a plan by affected individuals and for additional time for repayment of plan loans owed by affected individuals		

- Effective for disasters occurring on or after Jan. 26, 2021		
1. Credit for employers with respect to modified safe harbor requirements (F. Employer Plans) - A small employer (100 or fewer employees) that adopts a plan that satisfies the default enrollment requirements and employer matching contributions would be eligible for a tax credit - Credit generally would be equal to sum of employer's matching contributions required under sec. 101, but no credit would be available with respect to matching contributions for highly compensated employees, and matching contributions eligible for the credit would be limited to matching contributions provided for the first 2% of an employee's deferral contributions and only with respect to an employee's first 5 years of participation (after the plan is amended to incorporate the default enrollment requirements of sec. 101) - Effective after 2023		
2. Application of top heavy rules to defined contribution plans covering excludible employees (F. Employer Plans) - Provide that the top heavy rules (requiring minimum benefits if a retirement plan's benefits are too heavily concentrated among sponsoring employer's key employees) do not apply for those employees that an employer is not required to cover under ERISA (generally employees with less than 1 year of service or under the age of 21) - Effective after enactment		Separate application to top heavy rules to defined contribution plans covering excludible accumulations (Sec. 315, Simplification and Clarification of Retirement Plan Rules) - Allows employer to perform top-heavy test separately on non-excludable and excludable employees, removing financial incentive to exclude employees from 401(k) plan and increase retirement plan coverage to more - Effective after enactment

3. Increase in credit limitation for small employer pension plan startup costs of certain employers (F. Employer Plans) - Modify existing credit by increasing 50% rate (of plan start-up costs, capped between $500 and $5,000, depending on employer's size) to 75% in case of an employer with 25 or fewer employees - Effective after 2023		Modification of credit for small employer pension startup costs (Sec. 102, Expanding Coverage and Increasing Retirement Savings) - Increase credit from 50% to 100% for employers with up to 50 employees - Provides additional credit except in the case of defined benefit plans (additional credit is generally a percentage of the amount contributed by the employer on behalf of employees, up to a per-employee cap of $1,000, limited to employers with 50 or fewer employees and phased out for employers with between 51 and 100 employees) - Applicable percentage is 100% in the first and second years, 75% in the third year, 50% in the fourth year, 25% in the fifth year – and no tax credit thereafter - Effective after 2022
4. Expansion of Employee Plans Compliance Resolution System (F. Employer Plans) - Modify Employee Plans Compliance Resolution System (EPCRS) to permit self-correction of inadvertent failures by a plan (generally without time limit) provided that failure is not egregious - IRS authorized to issue guidance on correction methods that must be used for self-correction, including general correction principles if a specific correction is not proscribed - Expand EPCRS to cover certain failures with respect to IRAs (minimum distribution failures) - Effective after enactment		Expansion of Employee Plans Compliance Resolution System (Sec. 308, Simplification and Clarification of Retirement Plan Rules) - Expands Employee Plans Compliance Resolution System (EPCRS), as of date of enactment, to (1) allow more types of errors to be corrected internally through self-correction, (2) apply to inadvertent IRA errors, and (3) exempt certain failures to make required minimum distributions from the otherwise applicable excise tax - Effective after enactment

5. Application of credit for small employer pension plan startup costs to employers which join an existing plan (F. Employer Plans) - Extend credit (when adopting retirement plan) to employers who join a multiple employer retirement plan - Effective after enactment		Application of credit for small employer pension plan startup costs to employers which join an existing plan (Sec. 112, Expanding Coverage and Increasing Retirement Savings) - Ensuring startup tax credit is available for 3 years for employers joining multiple employer retirement plans - Retroactively effective as if included in enactment of SECURE Act (2019)
6. Safe harbor for corrections of employee elective deferral failures (F. Employer Plans) - Make safe harbor (permitting correction if notice given to affected employee, correct deferrals commence within certain specified time periods, and the employer provides employee with any matching contributions that would have been made if the failure had not occurred) permanent - Effective after 2023		Safe harbor for corrections of employee elective deferral failures (Sec. 115, Expanding Coverage and Increasing Retirement Savings) - Allowing for a grace period to correct, without penalty, reasonable errors in administering automatic enrollment and automatic escalation features - Must be corrected prior to 9 ½ months after the end of the plan year when mistakes were made - Effective after enactment
7. Reform of family attribution rules (F. Employer Plans) - Modify ownership attribution rules to provide that individual in a community property state is not treated as owning shares in a business owned by his or her spouse merely because individual has community share in spouse's property - Disaggregate two businesses if the only common ownership link is on account of attribution of parental ownership to a child or on account of a stock option held by a minor child to acquire an ownership interest in either business - Effective after 2023		Reform of family attribution rules (Sec. 319, Simplification and Clarification of Retirement Plan Rules) - Updates two of the stock attribution rules: (1) addresses inequities where spouses with separate businesses reside in a community property state when compared to spouse who reside in separate property states, (2) modifies the attribution of stock between parents and minor children - Effective after enactment

8. Contribution limit for simple IRAs (F. Employer Plans) - Increase annual deferral limit to $16,500 (indexed) and the catch-up contribution at age 50 to $4,750 (indexed) in the case of an employer with no more than 25 employees - Employer with 26 to 100 employees permitted to provide these higher deferral limits, but only if the employer either provides a 4% matching contribution or a 3% employer contribution - Make similar changes to the contribution limits for simple 401(k) plans - Effective after 2023		
9. Employers allowed to replace simple retirement accounts with safe harbor 401(k) plans during a year (F. Employer Plans) - Allow employer to replace simple IRA plan with simple 401(k) plan or other 401(k) plan that requires mandatory employer contributions during a plan year - Effective after 2023		
10. Starter 401(k) plans for employers with no retirement plan (F. Employer Plans) - Permit employer that does not sponsor a retirement plan to offer a starter 401(k) plan (or safe harbor 403(b) plan) - A starter 401(k) plan (or safe harbor 403(b) plan) would generally require that all employees be default enrolled in the plan at a 3 to 15% of compensation deferral rate. The limit on annual deferrals would be the same as IRA contribution limit (for 2022 is $6,000 with additional $1,000 in catch-up contributions beginning at age 50)		

- Effective after 2023		
11. Credit for small employers that adopt an automatic portability arrangement (F. Employer Plans) - Provide a $500 credit to small employers (100 or fewer employees) that adopt an automatic portability arrangement - Effective after enactment		
12. Re-enrollment credit (F. Employer Plans) - Provide a $500 credit (for up to 3 years) if a small employer (100 or fewer employees) adopts a reenrollment feature in a retirement plan that default enrolls employees into elective deferral contributions - Reenrollment feature requires the employer to periodically reenroll employees (at least every 3 years) at the default contribution rate if the employee has elected a lower contribution rate in a prior year (although the employee may affirmatively select a different rate again) - Effective after 2023	Automatic Reenrollment Under Qualified Automatic Contribution Arrangements and Eligible Automatic Contribution Arrangements (Sec. 401, Modernization) - Prompt those who opt out of a retirement savings plan to reconsider their choice at least every three years as their career progresses and financial situation changes - Effective after 2024	Expanding automatic enrollment in retirement plans (Sec. 101, Expanding Coverage and Increasing Retirement Savings) - Requires 401(k) and 403(b) plans to automatically enroll participants in plans upon becoming eligible (and employees may opt out) - Initial automatic enrollment amount is at least 3% but no more than 10% (all current 401(k) and 403(b) plans are grandfathered) - Exception for small businesses (10 or fewer employees); new businesses (i.e., businesses less than 3 years old); church plans; governmental plans - Effective after 2023
13. Corrections of mortality tables (F. Employer Plans) - Generally require that for purposes of the minimum funding rules, a pension plan is not required to assume mortality improvements at any age greater than 0.78% - Effective after enactment		

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14. Enhancing retiree health benefits in pension plans (F. Employer Plans) - Present law permits an employer to use assets from an overfunded pension plan to pay retiree health and life insurance benefits (to sunset at the end of 2025). Extend sunset date to end of 2032 and permit transfers to pay retiree health and life insurance benefits provided transfer is no more than 1.75% of plan assets and plan is at least 110% funded - Effective after enactment	Enhancing Retiree Health Benefits in Pension Plans (Sec. 603, Defined Benefit Plan Provisions) - Internal Revenue Code Section 420 provides rules and restrictions for transfer of excess pension assets to retiree health accounts made on or before Dec. 31, 2025. This amends the 420 rules to extend the provision through 2032 - Effective after enactment	
15. Deferral of tax for certain sales of employer stock to employee stock ownership plans sponsored by S corporation (F. Employer Plans) - Permit the owner of employer stock issued by an S corporation to defer 10% of long term capital gain from the sale of that stock to an ESOP - Effective after 2027		Deferral of tax for certain sales of employer stock to employee stock ownership plan sponsored by S corporation (Sec. 117, Expanding Coverage and Increasing Retirement Savings) - Expand the gain deferral provisions of Code section 1042 with a 10% limit on the deferral to sales of employer stock to S corporation ESOPs - Effective after 2027
		Certain securities treated as publicly traded in case of employee stock ownership plans (Sec. 118, Expanding Coverage and Increasing Retirement Savings) - Allows certain non-exchange traded securities to qualify as “publicly traded employer securities” so long as the security is subject to priced quotations by at least four dealers on an SEC-regulated interdealer quotation system; is not a penny stock and is not issued by a shell company; and has a public float of at least 10 percent of outstanding shares. For securities issued by domestic corporations, the issuer must publish annual audited financial statements. Securities issued by foreign corporations are subject to additional depository and reporting requirements

		- Make it easier for these companies to offer ESOPs to U.S. employees - Effective after 2026
	Cash Balance (Sec. 601, Defined Benefit Plan Provisions) - Clarifies the application of Code and ERISA rules, such as backloading and Code section 415, as they relate to hybrid plans that credit variable interest. Specifically, the provision would clarify that, for purposes of the applicable Code and ERISA rules, the interest crediting rate that is treated as in effect and as the projected interest crediting rate is a reasonable projection of such variable interest rate, subject to a maximum of 6% - Effective after enactment	
	Termination of Variable Rate Premium Indexing (Sec. 602, Defined Benefit Plan Provisions) - Removes the “applicable dollar amount” language in the rules for determining the premium fund target for purposes of unfunded vested benefits, and replaces it with a flat $48 for each $1000 of unfunded vested benefits - Effective after enactment	
1. Review and report to Congress relating to reporting and disclosure requirements (G. Notices) - Requires Treasury, DOL, and Pension Benefit Guaranty Corporation to review and report to Congress within 18 months with respect to the various notice and disclosure requirements that apply to employer retirement plans, including an analysis of effectiveness of these requirements and recommendations on simplification	Review and Report to the Congress Relating to Reporting and Disclosure Requirements (Sec. 106, RISE) - Requires DOL, the Department of the Treasury, and the Pension Benefit Guaranty Corporation to review reporting and disclosure requirements for retirement plans and make recommendations to Congress to consolidate, simplify, standardize, and improve such requirements	

	- Effective after enactment	
2. Report to Congress on section 402(f) notices (G. Notices) - Requires GAO to issue a report to Congress on the effectiveness of section 402(f) notices		
	Performance Benchmarks for Asset Allocation Funds (Sec. 103, RISE) - Directs DOL to update its regulations regarding benchmarking investments, such as target-date funds, that include a mix of asset classes - Requires DOL to report to Congress on the effectiveness of its benchmarking requirements - Effective after enactment	Performance benchmarks for asset allocation funds (Sec. 303, Simplification and Clarification of Retirement Plan Rules) - Directs DOL to update its regulations so that an investment that uses a mix of asset classes can be benchmarked against a blend of broad-based securities market indices, provided (a) the index blend reasonably matches the fund's asset allocation over time, (b) the index blend is reset at least once a year, and(c) the underlying indices are appropriate for the investment's component asset classes and otherwise meet the rule's conditions for index benchmarks - DOL is to update its regulations no later than one year after enactment; Requires DOL to report to Congress on the effectiveness of its benchmarking requirements no later than 3 years after enactment
3. Eliminating unnecessary plan requirements related to unenrolled participants (G. Notices) - Exempt employer retirement plans from providing notices and disclosures to an employee who is not enrolled in the plan provided that an annual reminder notice is given to the employee of his or her eligibility to participate in the plan and the plan provides any notices or disclosures that the employee requests and would be entitled to receive if enrolled in the plan	Eliminating Unnecessary Plan Requirements Related to Unenrolled Participants (Sec. 107, RISE) - Removes the requirement for employers to provide certain notices to employees who have not elected to participate in a workplace retirement plan, such as a 401(k). Employers are still required to send annual eligibility notices to unenrolled participants to encourage participation in the workplace retirement plan	Eliminating unnecessary plan requirements related to unenrolled participants (Sec. 305, Simplification and Clarification of Retirement Plan Rules) - No longer requires employers to provide certain intermittent ERISA or Code notices to unenrolled participants who have not elected to participate in a workplace retirement plan - Plan required to send (1) an annual reminder notice of the participant's eligibility to participate in the plan and any applicable

- Effective for plan years after enactment	- Effective after enactment	election deadlines, and (2) any otherwise required document requested at any time by the participant - Effective after 2022
	Review of Pension Risk Transfer Interpretive Bulletin (Sec. 105, RISE) - Requires DOL to review in consultation with the Advisory Council on Employee Welfare and Pension Benefit Plans the current interpretive bulletin governing pension risk transfers and report to Congress on its findings. This directive comes in response to the growing presence of private equity-backed insurers in the pension risk transfer market. - Effective after enactment	Review of pension risk transfer interpretive bulletin (Sec. 323, Simplification and Clarification of Retirement Plan Rules) - Requires DOL to review current interpretive bulletin governing pension risk transfers to determine whether amendments are warranted and to report to Congress its finding, including an assessment of any risk to participant, no later than 1 year after enactment
	Defined Contribution Plan Fee Disclosure Improvements (Sec. 301, Notice and Disclosure) - Builds on recommendations recently made to DOL by the Government Accountability Office (GAO) - Requires the agency to review its fiduciary disclosure requirements in participant-directed individual account plan regulations - A report must be submitted to Congress on such findings, including recommendations for legislative changes; Effective after enactment	Review and report to Congress relating to reporting and disclosure requirements (Sec. 304, Simplification and Clarification of Retirement Plan Rules) - Directs Treasury, DOL, and Pension Benefit Guaranty Corporation to review reporting and disclosure requirements for pension plans - Directs agencies to make recommendations to Congress to consolidate, simplify, standardize, and improve such requirements no later than 2 years after enactment
	Consolidation of Defined Contribution Plan Notices (Sec. 302, Notice and Disclosure) - Directs the Secretaries of Treasury and DOL to amend regulations to permit a plan to consolidate certain required plan notices	

	- Effective after enactment	
	Information Needed for Financial Options Risk Mitigation Act (Sec. 303, Notice and Disclosure) - Requires pension plan administrators to provide plan participants and retirees with critical information allowing people considering what is best for their financial futures to compare between benefits offered under the plan and the lump sum, and would explain how lump sum was calculated, ramifications of accepting a lump sum such as the loss of certain federal protections, details about election period, where to direct questions, and other information - Effective after enactment	
	Defined Benefit Annual Funding Notices (Sec. 304, Notice and Disclosure) - Aims to more clearly identify defined benefit pension plan funding issues on a plan's annual funding notice - Effective after enactment	
		Requirement to provide paper statements in certain cases (Sec. 314, Simplification and Clarification of Retirement Plan Rules) - Amends ERISA to generally provide that with respect to DC plans, unless a participant elects otherwise, the plan is required to provide a paper benefit statement at least once annually, effective after 2023 (the other three quarterly statements are not subject to this rule) - For defined benefit plans, unless a participant elects otherwise, the statement that must be

		provided once every 3 years under ERISA must be a paper statement - Labor Secretary must update relevant sections of their regulations by Dec. 31, 2022
		Promotion of Saver's Credit (Sec. 103, Expanding Coverage and Increasing Retirement Savings) - Requires Treasury Department to increase public awareness of the Saver's Credit to increase use of the credit by low and moderate income taxpayers - Must report to Congress its anticipated promotion efforts no later than 90 days after date of enactment
		Enhancement of Saver's Credit (Sec. 104, Expanding Coverage and Increasing Retirement Savings) - Simplifies the Saver's Credit by creating one credit rate of 50%, as opposed to current tiered credit percentage - This rate is phased out once a taxpayer reaches a certain income level - Effective after 2026
1. Repayment of qualified birth or adoption distribution limited to 3 years (H. Technical Modifications) - SECURE provides that amounts distributed from tax preferred retirement accounts to pay for birth or adoption expenses may be repaid, but does not specify a repayment deadline - Provides for a 3 year repayment deadline		Repayment of qualified birth or adoption distribution limited to 3 years (Sec. 316, Simplification and Clarification of Retirement Plan Rules) - Amends the QBAD provision to restrict the recontribution period to 3 years - Effective retroactively to distributions made after Dec. 31, 2019

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2. Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019 (H. Technical Modifications) - Make technical corrections to SECURE		Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019 (Sec. 401, Technical Amendments) - Four technical and two clerical amendments to the SECURE Act (retroactively effective)
3. Modification of required minimum distribution rules for special needs trusts (H. Technical Modifications) - SECURE Act places limits on the ability of beneficiaries of defined contribution retirement plans and IRAs to receive lifetime distributions after the account owner's death. Special rules apply in the case of certain beneficiaries, such as those with a disability. Clarify that in the case of a special needs trust established for a beneficiary with a disability, the trust may provide for a charitable organization as remainder beneficiary - Effective after enactment		
1. Provisions relating to plan amendments (I. Plan Amendments) - Provide employer retirement plans with an extended period of time by which plan amendments must be adopted to reflect the changes in law made by this legislation - Extended deadline would generally be Dec. 31, 2024 for calendar year plans	Provisions Relating to Plan Amendments (Sec. 701, Additional Retirement Enhancements) - Current law generally requires plan amendments to reflect legal changes to be made by the tax filing deadline for the employer's taxable year in which the change in law occurs (including extensions) - Allows plan amendments made pursuant to this Act to be made by end of 2024 plan year (2026 plan year in governmental plans) as long as plan operates in accordance with amendments as of effective date of a bill requirement/amendment	Provisions relating to plan amendments (Sec. 501, Administrative Provisions) - Allows plan amendments made pursuant to this Act to be made on or before the last day of the first plan year beginning on or after January 1, 2024 (2026 in the case of governmental plans) as long as the plan operates in accordance with such amendments as of the effective date of a bill requirement or amendment - Conforms plan amendment dates under SECURE Act, CARES Act, and Taxpayer Certainty and Disaster Relief Act of 2020 to these new dates (instead of 2022 and 2024)
	Worker Ownership Readiness and Knowledge Act (Sec. 702, Additional Retirement Enhancements) - Boosts employee ownership programs through the DOL, which may make grants to promote	

	employee ownership through existing and new programs - Effective after enactment	
	Report by the Secretary of Labor on the Impact of Inflation on Retirement Savings (Sec. 703, Additional Retirement Enhancements) - Requires Secretary of Labor, in consultation with Secretary of Treasury, to conduct study on impact of inflation on retirement savings and submit to Congress a report on the findings within 90 days of enactment	
	Report on Pooled Employer Plans (Sec. 501, Report on Pooled Employer Plans) - Requires DOL Secretary to conduct study on new and growing pooled employer plan industry - A report must be completed five years after enactment, with subsequent reports completed every five years thereafter	
	Annual Audits for Group of Plans (Sec. 502, Amendments to Plans Offered by Multiple Employers) - Clarify that plans filing under a Group of Plans need only to submit an audit opinion if they have 100 participants or more - In other words, DOL and Treasury would continue to receive full audit information on at least the number of plans as under current law - Effective after enactment	
1. Proposals relating to judges of the Tax Court (J. Tax Court Retirement Provisions) - Provide parity between other federal judges and Tax Court judges by extending the same TSP		

matching contributions policy to Tax Court judges - Tax Court judges may elect to participate in a plan providing benefits for judge's surviving spouse and dependent children. Benefits vest only after judge has performed at least five years of service and made contributions for at least five years. In contrast, other federal judges vest after 18 months of service, and the 18-month period is waived if the judge were to be assassinated - Apply 18-month vesting period and assassination waiver to Tax Court judges - Provides that compensation earned by retired Tax Court judges (i.e., those who are disabled or meet the recall requirements) for teaching is not treated as outside earned income for purposes of limitations under the Ethics in Government Act of 1978, and makes technical amendments to coordinate Tax Court judicial retirement with the Federal Employees Retirement System (FERS) and the retirement and survivors' annuities plans.		
2. Retirement and recall for special trial judges (J. Tax Court Retirement Provisions) - Establishes retirement plan under which a special trial judge may elect to receive retired pay in a manner and under rules similar to the regular judges of the Court - Provision provides parity between special trial judges of the Tax Court and other federal judges		
1. Simple and SEP Roth IRAs (K. Revenue Provisions) - Permit employee participating in a SIMPLE IRA plan or a Simplified Employee Pension (SEP) to elect to treat elective deferrals and employer contributions as after-tax Roth contributions		Simple and SEP Roth IRAs (Sec. 601, Revenue Provisions) - Allows SIMPLE IRAs to accept Roth contributions

- Effective after 2023		- Allows employers to offer employees the ability to treat employee and employer SEP contributions as Roth (in whole or in part) - Effective after 2022
2. Elective deferrals generally limited to regular contribution limit (K. Revenue Provisions) - Require catch-up contributions within an employer retirement plan to be made as after-tax Roth contributions - Effective after 2023		Elective deferrals generally limited to regular contribution limit (Sec. 603, Revenue Provisions) - Provides all catch-up contributions to qualified retirement plans are subject to Roth tax treatment - Effective after 2022
3. Optional treatment of employer matching and other employer contributions as Roth contributions (K. Revenue Provisions) - Permit an employee to elect to treat employer matching and other employer contributions as after-tax Roth contributions - Effective after 2023		Optional treatment of employer matching contributions as Roth contributions (Sec. 604, Revenue Provisions) - Allows DC plans to provide participants with the option of receiving matching contributions on a Roth basis - Effective after enactment
		Limiting cessation of IRA treatment to portion of account involved in a prohibited transaction (Sec. 322, Simplification and Clarification of Retirement Plan Rules) - Allows for only the portion of the IRA account used in a prohibited transaction to be treated as distributed, as opposed to current law which disqualifies the IRA irrespective of the size of the prohibited transaction - Effective after enactment
	Incidental Plan Expenses (Sec. 402, Modernization) - Make it easier for plan sponsors to engage advisors to assist in administering their retirement plans by permitting incidental	

	expenses incurred related to plan design, such as automatic enrollment and reenrollment or automatic escalation, to be charged to the plan	
		Determination of budgetary effects (Sec. 701, Budgetary Effects) - For the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, the budgetary effects of this Act shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation"

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i Staff of S. Comm. on Finance, 117th Cong., Enhancing American Retirement Now (EARN) Act Section by Section Summary (2022).

ii Staff of S. Comm. on Health, Education, Labor, and Pensions, 117th Cong., Retirement Improvement and Savings Enhancement to Supplement Health Investments for the Nest Egg (RISE & SHINE) Act Section by Section Summary (Introduced on June 7, 2022).

iii Text - S.4353 - 117th Cong. (2021-2022): RISE & SHINE Act, S.4353, 117th Cong. (2022), http://www.congress.gov/.

iv Staff of H.R. Comm. on Ways and Means, 117th Cong., Securing a Strong Retirement (SECURE 2.0) Act Section-by-Section Summary (2022).

v Text - H.R.2954 - 117th Cong. (2021-2022): Securing a Strong Retirement Act of 2021 (SECURE 2.0), H.R.2954, 117th Cong. (2022), http://www.congress.gov/.