



Federal Legislative & Regulatory Report

January 2019

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RESA, which stalled in the 115th Congress, new Congress begins with a shutdown

At the end of 2018, the Retirement Enhancement and Savings Act (**RESA**) looked well positioned for enactment. However, the political fights over the border wall and government funding that resulted in the partial government shutdown prevented RESA from becoming law in the 115th Congress. RESA remains a bipartisan effort that awaits a suitable legislative vehicle to advance through Congress.

On January 3, the 116th Congress convened for the first time, swearing in members and facing the government shutdown left over from 2018. About a quarter of the government remains unfunded including the Commerce Department, Treasury, HUD, Homeland Security, and FEMA, among others. The partial government shutdown has now lasted over a month, leaving some federal workers furloughed and others working without pay.”

Senators expected to reintroduce retirement legislation from 115th Congress

Several notable pieces of retirement legislation were introduced at the end of 2018. These bills are expected to be reintroduced in 2019 and will likely receive significant attention.

- **Retirement Security and Savings Act of 2018** (S.3781)– Senators Rob Portman (R-OH) and Ben Cardin (D-MD) introduced a bill that includes numerous retirement related provisions, including automatic enrollment safe harbor, expansion of the savers credit and (similar to Sen. Wyden’s proposal) a student loan 401(k) match. Both offices hope to work with stakeholders to further refine the bill before introduction early in the 116th Congress.
- **Retirement Parity for Student Loans Act** (S.3771) – Senate Finance Committee Ranking Member Ron Wyden (D-OR) introduced legislation that allows employers to make

“matching” contributions to a 401(k) retirement plan while their employees make student loan repayments.

- [RETIRE Act](#) (S.3795) – Sens. Sherrod Brown (D-OH) and Mike Enzi (R-WY) reintroduced bipartisan legislation that would allow plan sponsors to use e-delivery as the default distribution method for ERISA required retirement plan documents. The reintroduced bill has some new original cosponsors: Senator Rob Portman (R-OH), Senator Gary Peters (D-MI), Senator Johnny Isakson (R-GA), and Senator Doug Jones (D-LA). The legislation is identical to the House bill (H.R. 4610) which was previously introduced in December 2017 and currently has 42 bipartisan cosponsors.

Bill would allow federal employees to access retirement savings during shutdown

On January 15, Reps. Pete Olson (R-TX), Don Beyer (D-VA), and Ed Perlmutter (D-CO) introduced H.R. 545, the [Financial Relief for Feds Act of 2019](#). The bill allows federal employees and contractors to withdraw funds from their retirement accounts without penalty during a government shutdown. It is unlikely this bill will advance prior to current shutdown’s resolution.

Ways & Means Chairman introduces bill to help multiemployer pensions

On January 9, House Ways and Means Committee Chairman Richie Neal (D-MA) introduced H.R. 387, [Rehabilitation for Multiemployer Pensions Act](#). The bill is an updated approach to legislative proposals introduced in previous years.

The bill would establish a Pension Rehabilitation Administration (PRA) within the Department of the Treasury to help finance loans to aid failing multiemployer pension plans. The PRA would be headed by a director, who would have a term of five years and be appointed by the U.S. President.

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References and source material used in this publication

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Summary and Text of Retirement Enhancement and Savings Act of 2018
<https://www.congress.gov/bill/115th-congress/senate-bill/2526/text>

Sponsor Rationale for Retirement Enhancement and Savings Act of 2019
<https://www.investmentnews.com/assets/docs/CI11869526.PDF>

Summary and Text of Retirement Security and Savings Act of 2018
<https://www.congress.gov/115/bills/s3781/BILLS-115s3781is.pdf>

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Summary and Text of Retirement Parity for Student Loans Act
<https://www.congress.gov/115/bills/s3771/BILLS-115s3771is.pdf>

Summary and Text of RETIRE Act
<https://www.congress.gov/115/bills/s3795/BILLS-115s3795is.pdf>

Summary and Text of Financial Relief for Feds Act of 2019
<https://www.congress.gov/116/bills/hr545/BILLS-116hr545ih.pdf>

Summary and Text of Rehabilitation for Multiemployer Pensions Act
<https://www.congress.gov/116/bills/hr397/BILLS-116hr397ih.pdf>

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Keeping watch

You can find the most recent information on issues affecting governmental defined contribution plans, plan sponsors and plan participants in the Employer page of our plan website, NRSforu.com. In addition, we report guidance on legislative and regulatory activity relevant to government sector plans through:

- *Federal Legislative and Regulatory Report* – distributed monthly and posted in the Plan Sponsor section of NRSforu.com; it's available online and for download
- *Plan Sponsor Alerts* – published as needed to announce breaking news
- *Governmental 457(b) Guidebook*

About this report

BOB BEASLEY, CRC, Communications Consultant, edits this report. Beasley brings more than 30 years of financial services communications experience to your plan. He has contributed to past editions of the *457(b) Governmental Guidebook*, edits countless newsletters and plan sponsor communications, and in 2001 authored “What you should know about the Economic Growth and Tax Relief Reconciliation Act of 2001.” He often voices Nationwide’s online presentations and telephone greetings.

Beasley has served on the Education and Communication Committee for the Plan Sponsor Council of America and as a member of the National Association of Government Defined Contribution Administrators.

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