



Federal Legislative & Regulatory Report

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House Advances Retirement Security Package, President Signs Executive Order

Retirement Security Package. On September 27, the House passed [H.R. 6757](#), the Family Savings Act of 2018 (FSA), as part of Tax Reform 2.0. The FSA is a collection of retirement security improvements, including some pulled from the Retirement Enhancement and Savings Act ([RESA](#)). From RESA, the FSA incorporated open multiple employer plans (MEPs), portability of lifetime income investments and A fiduciary safe harbor for annuity provider selections.

New provisions in the bill allow for

- Universal Savings Accounts
- Expanded 529 education accounts
- Penalty free withdrawals for expenses related to a new child
- Required minimum distribution (RMD) exemption for those with less than \$50,000 in retirement savings

The FSA still lacks several important RESA provisions, including life time income illustrations from defined contribution plans and increased plan startup and automatic enrollment credits for small employers.

No action on the FSA is expected in the Senate until after the midterm election in November.

Executive Order. On August 31, the President issued an Executive Order directing the Labor and Treasury departments to review regulations related to MEPs, notice requirements, and RMD.

Specifically, the Order seeks to ease the “nexus requirement” for MEPs, thereby allowing businesses to more easily join to offer retirement plans (i.e., open MEPs), update notice requirements by allowing the use of electronic delivery for plan information, and modernize the mortality tables applied to RMD. Legislative fixes such as the Retirement Enhancement and

Savings Act (RESA) may still be needed to fully realize the benefits intended by the regulatory review directed by the Order.

Retirement Plan Access for Part-time Workers. On September 12, Sen. Patty Murray (D-WA) introduced [S. 3436](#), the Women’s Pension Protection Act. The bill would:

- Expand access to retirement savings plans by changing the minimum participation standards for long-term, part-time workers — most of whom are women
- Strengthen consumer protections to safeguard retirement savings by expanding existing spousal protections for defined benefit plans to defined contributions plans to prevent one spouse from making decisions that might undermine a couple’s retirement resources without the other’s knowledge and consent
- Provide community grants to increase financial literacy and support low-income women and survivors of domestic abuse seeking retirement benefits following a divorce or legal separation

State-run Retirement Plans Continue to Receive Attention

Across the country, states and cities [continue to show interest in advancing government-run retirement plans](#) for private sector workers.

Nevada. Most recently, on August 29 the Nevada Task Force on Financial Security [voted to support](#) a state-run retirement plan for private sector workers. The plan, called the Nevada Employees Savings Trust (NVEST), would enroll private sector workers without an employer-sponsored retirement plan in a state-administered IRA with the option to opt-out.

While the task force doesn’t have the authority to introduce bills, Democratic Assemblywoman Ellen Spiegel said she is considering introducing the bill during the 2019 Legislature.

New Jersey. On August 27, the New Jersey legislature released a bill creating the Secure Choice Savings Program Act ([S. 2891](#)). Based on the released language, the measure differs from previous versions of the bill by requiring qualifying employees to contribute six percent, instead of three percent of their salary, to a retirement account unless they opt-out.

The bill would prohibit administrative costs from exceeding 0.6% of the fund’s total balance. The next voting session in the Senate and Assembly is September 27 and if this bill is on the fast-track, it could be possible that will be ready for a vote by such date.

Illinois. The New Jersey Secure Choice Savings Program Act is modeled after the Illinois Secure Choice Savings Program Act, which last July [began the volunteer pilot phase](#) of its Secure Choice savings program. The pilot phase [includes only eight volunteer employers](#), with the mandatory employer participation beginning in November and expanding through 2019.

Oregon. Illinois’ program follows the [launch of OregonSaves](#), the first fully operational “state(k)” program, which most recently reported assets of almost \$5 million, but an opt-out rate around 30 percent.

Connecticut. As states continue to show interest in these state-run IRA programs, implementation of already authorized plans remains slow. Legislation creating the Connecticut Retirement Security Exchange was passed in 2016, with a January 2018 implementation date. However, the CRSA deferred implementation in late 2017. On September 11, the CRSA reiterated that there is still no specific date set for the program to start and that it continues to [seek an executive director to run it](#).

Senate Confirms New SEC Commissioner

On September 5, the Senate voted 85-14 to [confirm the nomination](#) of Elad Roisman to the Securities and Exchange Commission (SEC). Roisman replaces former commissioner Michael Piwowar, giving Republicans a 3-2 majority at the SEC. The majority will enhance the prospects for the agency's pending standard of conduct proposals and reduce the degree to which Democratic Commissioners Kara Stein and Robert Jackson can influence the final regulations. A replacement for outgoing Commissioner Stein has yet to be formally announced, but it's widely expected to be former SEC enforcement attorney Allison Lee.

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References and source material used in this publication

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Text of H.R. 6757, the Family Savings Act (FSA)

<https://www.congress.gov/115/bills/hr6757/BILLS-115hr6757rfs.pdf>

Summary of the Retirement Enhancement and Savings Act (RESA)

<https://www.finance.senate.gov/imo/media/doc/3.8%20RESA%20Section-by-Section.pdf>

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Text of S. 3436, Women's Pension Protection Act

<https://www.congress.gov/115/bills/s3436/BILLS-115s3436is.pdf>

Don't Have a 401(k)? State Governments Have a Retirement Plan for You

<https://www.marketwatch.com/story/dont-have-a-401k-state-governments-have-a-retirement-plan-for-you-2018-10-05>

State-run IRA for Private Workers in Nevada Endorsed

<https://www.nnbusinessview.com/news/state-run-ira-for-private-workers-in-nevada-endorsed/>

Text of New Jersey Secure Choice Savings Program Act

https://www.njleg.state.nj.us/2018/Bills/A4500/4134_11.HTM

New Illinois Program to Offer Retirement Savings Plan

<https://www.dailyherald.com/article/20180715/news/307159980/>

State Program Can Help Assure Secure Retirement for Thousands

<https://www.dailyherald.com/discuss/20180726/state-program-can-help-assure-secure-retirement-for-thousands>

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State Rolls Out OregonSaves Retirement Program

<https://www.seattletimes.com/nation-world/state-rolls-out-oregonsaves-retirement-program/>

Connecticut Retirement Security Authority Seeks Executive Director

<http://www.pionline.com/article/20180122/ONLINE/180129966/connecticut-retirement-security-authority-seeks-executive-director>

Elad Roisman Sworn in as SEC Commissioner

<https://blocktelegraph.io/elad-roisman-sworn-sec-commissioner/>

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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 nearly 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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