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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To increase retirement savings, simplify and clarify retirement plan rules,  
and for other purposes.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. NEAL (for himself and Mr. BRADY) introduced the following bill; which  
was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To increase retirement savings, simplify and clarify  
retirement plan rules, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Securing a Strong Retirement Act of 2020”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EXPANDING COVERAGE AND INCREASING RETIREMENT  
SAVINGS

- Sec. 101. Expanding automatic enrollment in retirement plans.
- Sec. 102. Modification of credit for small employer pension plan startup costs.
- Sec. 103. Simplification and increase in Saver's Credit.
- Sec. 104. Enhancement of 403(b) plans.
- Sec. 105. Increase in age for required beginning date for mandatory distributions.
- Sec. 106. Deferral of tax for certain sales of employer stock to employee stock ownership plan sponsored by S corporation.
- Sec. 107. Indexing IRA catch-up limit.
- Sec. 108. Higher catch-up limit to apply at age 60.
- Sec. 109. Multiple employer 403(b) plans.
- Sec. 110. Treatment of student loan payments as elective deferrals for purposes of matching contributions.
- Sec. 111. Application of credit for small employer pension plan startup costs to employers which join an existing plan.
- Sec. 112. Military spouse retirement plan eligibility credit for small employers.
- Sec. 113. Small immediate financial incentives for contributing to a plan.
- Sec. 114. Safe harbor for corrections of employee elective deferral failures.
- Sec. 115. One-year reduction in period of service requirement for long-term, part-time workers.
- Sec. 116. Governmental pension plans may include certain firefighters, emergency medical technicians, and paramedics.

#### TITLE II—PRESERVATION OF INCOME

- Sec. 201. Remove required minimum distribution barriers for life annuities.
- Sec. 202. Qualifying longevity annuity contracts.
- Sec. 203. Insurance-dedicated exchange-traded funds.

#### TITLE III—SIMPLIFICATION AND CLARIFICATION OF RETIREMENT PLAN RULES

- Sec. 301. Recovery of retirement plan overpayments.
- Sec. 302. Reduction in excise tax on certain accumulations in qualified retirement plans.
- Sec. 303. Performance benchmarks for asset allocation funds.
- Sec. 304. Review and report to the Congress relating to reporting and disclosure requirements.
- Sec. 305. Eliminating unnecessary plan requirements related to unenrolled participants.
- Sec. 306. Retirement savings lost and found.
- Sec. 307. Exemption from required minimum distribution rules for individuals with certain account balances.
- Sec. 308. Expansion of Employee Plans Compliance Resolution System.
- Sec. 309. Eliminate the "first day of the month" requirement for governmental section 457(b) plans.
- Sec. 310. One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable distribution limitation.
- Sec. 311. Retirement plan distributions for charitable purpose.
- Sec. 312. Distributions to firefighters.
- Sec. 313. Exclusion of certain disability-related first responder retirement payments.
- Sec. 314. Individual retirement plan statute of limitations for excise tax on excess contributions, certain accumulations, and prohibited transactions.
- Sec. 315. Requirement to provide paper statements in certain cases.

TITLE IV—TECHNICAL AMENDMENTS

Sec. 401. Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019.

TITLE V—ADMINISTRATIVE PROVISIONS

Sec. 501. Provisions relating to plan amendments.

1 **TITLE I—EXPANDING COVERAGE**  
2 **AND INCREASING RETIRE-**  
3 **MENT SAVINGS**

4 **SEC. 101. EXPANDING AUTOMATIC ENROLLMENT IN RE-**  
5 **TIREMENT PLANS.**

6 (a) IN GENERAL.—Subpart B of part I of subchapter  
7 D of chapter 1 of the Internal Revenue Code of 1986 is  
8 amended by inserting after section 414 the following new  
9 section:

10 **“SEC. 414A. REQUIREMENTS RELATED TO AUTOMATIC EN-**  
11 **ROLLMENT.**

12 “(a) IN GENERAL.—Except as otherwise provided in  
13 this section—

14 “(1) an arrangement shall not be treated as a  
15 qualified cash or deferred arrangement described in  
16 section 401(k) or as a qualified salary reduction ar-  
17 rangement described in section 408(p) unless such  
18 arrangement meets the automatic enrollment re-  
19 quirements of subsection (b), and

20 “(2) an annuity contract otherwise described in  
21 section 403(b)(1) which is purchased under a salary  
22 reduction agreement shall not be treated as de-

1 scribed in such section unless such agreement meets  
2 the automatic enrollment requirements of subsection  
3 (b).

4 “(b) AUTOMATIC ENROLLMENT REQUIREMENTS.—

5 “(1) IN GENERAL.—An arrangement or agree-  
6 ment meets the requirements of this subsection if  
7 such arrangement or agreement is an eligible auto-  
8 matic contribution arrangement (as defined in sec-  
9 tion 414(w)(3)) which meets the requirements of  
10 paragraphs (2) through (4).

11 “(2) ALLOWANCE OF PERMISSIBLE WITH-  
12 DRAWALS.—An eligible automatic contribution ar-  
13 rangement meets the requirements of this paragraph  
14 if such arrangement allows employees to make per-  
15 missible withdrawals (as defined in section  
16 414(w)(2)).

17 “(3) MINIMUM CONTRIBUTION PERCENTAGE.—  
18 An eligible automatic contribution arrangement  
19 meets the requirements of this paragraph if—

20 “(A) the uniform percentage of compensa-  
21 tion contributed by the participant under such  
22 arrangement during the first year of participa-  
23 tion is not less than 3 percent and not more  
24 than 10 percent (unless the participant specifi-  
25 cally elects not to have such contributions made

1 or to have such contributions made at a dif-  
2 ferent percentage), and

3 “(B) such uniform percentage is increased  
4 by 1 percentage point for each year of partici-  
5 pation under such arrangement (but not above  
6 10 percent) unless the participant specifically  
7 elects not to have such contributions made or to  
8 have such contributions made at a different  
9 percentage.

10 “(4) INVESTMENT REQUIREMENTS.—An eligible  
11 automatic contribution arrangement meets the re-  
12 quirements of this paragraph if amounts contributed  
13 pursuant to such arrangement, and for which no in-  
14 vestment is elected by the participant, are invested  
15 consistent with the requirements of section  
16 2550.404c-5 of title 29, Code of Federal Regulations  
17 (or any successor regulations).

18 “(c) EXCEPTIONS.—For purposes of this section—

19 “(1) EXCEPTION FOR PLANS OR ARRANGE-  
20 MENTS ESTABLISHED BEFORE ENACTMENT OF SEC-  
21 TION.—Subsection (a) shall not apply to—

22 “(A) any qualified cash or deferred ar-  
23 rangement or qualified salary reduction ar-  
24 rangement established before the date of the  
25 enactment of this section, or

1           “(B) any annuity contract purchased  
2           under a plan established before the date of the  
3           enactment of this section.

4           “(2) EXCEPTION FOR GOVERNMENTAL AND  
5           CHURCH PLANS.—Subsection (a) shall not apply to  
6           any governmental plan (within the meaning of sec-  
7           tion 414(d)) or any church plan (within the meaning  
8           of section 414(e)).

9           “(3) EXCEPTION FOR NEW BUSINESSES.—Sub-  
10          section (a) shall not apply to—

11           “(A) any qualified cash or deferred ar-  
12           rangement or qualified salary reduction ar-  
13           rangement established while all employers main-  
14           taining the plan (and any predecessor employ-  
15           ers) have been in existence for less than 3  
16           years, or

17           “(B) any annuity contract purchased  
18           under a plan established while all employers  
19           maintaining such plan have been in existence  
20           for less than 3 years.

21           “(4) EXCEPTION FOR SMALL BUSINESSES.—  
22          Subsection (a) shall not apply to—

23           “(A) any qualified cash or deferred ar-  
24           rangement or qualified salary reduction ar-  
25           rangement if such arrangement is established

1 not later than 1 year after the close of the last  
2 taxable year with respect to which all employers  
3 maintaining the plan normally employed 10 or  
4 fewer employees on a typical business day, or

5 “(B) any annuity contract purchased  
6 under a plan established not later than 1 year  
7 after the close of the last taxable year with re-  
8 spect to which all employers maintaining such  
9 plan normally employed 10 or fewer employees  
10 on a typical business day.”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for subpart B of part I of subchapter D of chapter 1 of  
13 the Internal Revenue Code of 1986 is amended by insert-  
14 ing after the item relating to section 414 the following  
15 new item:

“Sec. 414A. Requirements related to automatic enrollment.”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to plan years beginning after De-  
18 cember 31, 2021.

19 **SEC. 102. MODIFICATION OF CREDIT FOR SMALL EM-**  
20 **PLOYER PENSION PLAN STARTUP COSTS.**

21 (a) INCREASE IN CREDIT PERCENTAGE FOR SMALL-  
22 ER EMPLOYERS.—Section 45E(e) of the Internal Revenue  
23 Code of 1986 is amended by adding at the end the fol-  
24 lowing new paragraph:

1           “(4) INCREASED CREDIT FOR CERTAIN SMALL  
2 EMPLOYERS.—In the case of an employer which  
3 would be an eligible employer under subsection (c) if  
4 section 408(p)(2)(C)(i) was applied by substituting  
5 ‘50 employees’ for ‘100 employees’, subsection (a)  
6 shall be applied by substituting ‘100 percent’ for ‘50  
7 percent’.”.

8           (b) ADDITIONAL CREDIT FOR EMPLOYER CONTRIBU-  
9 TIONS BY CERTAIN SMALL EMPLOYERS.—Section 45E of  
10 such Code is amended by adding at the end the following  
11 new subsection:

12           “(f) ADDITIONAL CREDIT FOR EMPLOYER CON-  
13 TRIBUTIONS BY CERTAIN ELIGIBLE EMPLOYERS.—

14           “(1) IN GENERAL.—In the case of an eligible  
15 employer, the credit allowed for the taxable year  
16 under subsection (a) (determined without regard to  
17 this subsection) shall be increased by an amount  
18 equal to the applicable percentage of employer con-  
19 tributions (other than any elective deferrals (as de-  
20 fined in section 402(g)(3)) by the employer to an eli-  
21 gible employer plan (other than a defined benefit  
22 plan (as defined in section 414(j))).

23           “(2) LIMITATIONS.—

24           “(A) DOLLAR LIMITATION.—The amount  
25 determined under paragraph (1) (before the ap-



1           plication of subparagraph (B)) with respect to  
 2           any employee of the employer shall not exceed  
 3           \$1,000.

4           “(B) CREDIT PHASE-IN.—In the case of  
 5           any eligible employer which had for the pre-  
 6           ceding taxable year more than 50 employees,  
 7           the amount determined under paragraph (1)  
 8           (without regard to this subparagraph) shall be  
 9           reduced by an amount equal to the product  
 10          of—

11                   “(i) the amount otherwise so deter-  
 12                   mined under paragraph (1), multiplied by

13                           “(ii) a percentage equal to 2 percent-  
 14                           age points for each employee of the em-  
 15                           ployer for the preceding taxable year in ex-  
 16                           cess of 50 employees.

17           “(3) APPLICABLE PERCENTAGE.—For purposes  
 18           of this section, the applicable percentage for the tax-  
 19           able year during which the eligible employer plan is  
 20           established shall be 100 percent, and for taxable  
 21           years thereafter shall be determined under the fol-  
 22           lowing table:

<b>“In the case of the following taxable year beginning after the taxable year during which plan is established:</b>	<b>The applicable percentage shall be:</b>
1st .....	100%
2nd .....	75%
3rd .....	50%

**“In the case of the following taxable year beginning after the taxable year during which plan is established:      The applicable percentage shall be:**

4th .....	25%
Any taxable year thereafter .....	0%

1           “(4) DETERMINATION OF ELIGIBLE EMPLOYER;  
2           NUMBER OF EMPLOYEES.—For purposes of this sub-  
3           section, whether an employer is an eligible employer  
4           and the number of employees of an employer shall  
5           be determined under the rules of subsection (c), ex-  
6           cept that paragraph (2) thereof shall only apply to  
7           the taxable year during which the eligible employer  
8           plan to which this section applies is established.”.

9           (c) DISALLOWANCE OF DEDUCTION.—Section  
10 45E(e)(2) of such Code is amended to read as follows:

11           “(2) DISALLOWANCE OF DEDUCTION.—No de-  
12           duction shall be allowed—

13                   “(A) for that portion of the qualified start-  
14                   up costs paid or incurred for the taxable year  
15                   which is equal to so much of the portion of the  
16                   credit determined under subsection (a) as is  
17                   properly allocable to such costs, and

18                   “(B) for that portion of the employer con-  
19                   tributions by the employer for the taxable year  
20                   which is equal to so much of the credit increase  
21                   determined under subsection (f) as is properly  
22                   allocable to such contributions.”.

1 (d) **EFFECTIVE DATE.**—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2020.

4 **SEC. 103. SIMPLIFICATION AND INCREASE IN SAVER'S**  
5 **CREDIT.**

6 (a) **IN GENERAL.**—Section 25B(a) of the Internal  
7 Revenue Code of 1986 is amended by striking “the appli-  
8 cable percentage” and all that follows through “\$2,000”  
9 and inserting the following: “50 percent of so much of the  
10 qualified retirement savings contributions of the eligible  
11 individual for the taxable year as does not exceed \$3,000”.

12 (b) **INCOME LIMITATION.**—Section 25B(b) of such  
13 Code is amended to read as follows:

14 “(b) **INCOME LIMITATION.**—

15 “(1) **IN GENERAL.**—The amount allowable as a  
16 credit under subsection (a) for any taxable year (de-  
17 termined without regard to this subsection) shall be  
18 reduced (but not below zero) by an amount which  
19 bears the same ratio to the amount so allowable (as  
20 so determined) as—

21 “(A) the amount by which the taxpayer’s  
22 adjusted gross income exceeds the applicable  
23 threshold, bears to

24 “(B) \$20,000.

1           “(2) APPLICABLE THRESHOLD.—For purposes  
2 of this subsection, the applicable threshold is—

3           “(A) except as provided in subparagraph  
4 (B) or (C), \$40,000,

5           “(B) in the case of a joint return, 200 per-  
6 cent of the amount in effect for the taxable year  
7 under subparagraph (A), or

8           “(C) in the case of a head of household,  
9 150 percent of the amount in effect for the tax-  
10 able year under subparagraph (A).

11           “(3) INFLATION ADJUSTMENT.—In the case of  
12 any taxable year beginning in a calendar year after  
13 2021, the \$40,000 dollar amount in paragraph (2)  
14 shall be increased by an amount equal to—

15           “(A) such dollar amount, multiplied by

16           “(B) the cost-of-living adjustment deter-  
17 mined under section 1(f)(3) for the calendar  
18 year in which the taxable year begins, deter-  
19 mined by substituting ‘calendar year 2020’ for  
20 ‘calendar year 2016’ in subparagraph (A)(ii)  
21 thereof.

22 Any increase determined under the preceding sen-  
23 tence shall be rounded to the nearest multiple of  
24 \$500.”.

1 (c) SAVER'S CREDIT.—The heading for section 25B  
2 of such Code is amended to read as follows: “**SAVER'S**  
3 **CREDIT.**”.

4 (d) SAVER'S CREDIT PROMOTION.—

5 (1) IN GENERAL.—The Secretary of the Treas-  
6 ury (or the Secretary's delegate) shall take such  
7 steps as the Secretary (or delegate) determines are  
8 necessary and appropriate to increase public aware-  
9 ness of the credit provided under section 25B of  
10 such Code (as amended by this section).

11 (2) REPORT.—Not later than 1 year after the  
12 date of the enactment of this Act, the Secretary (or  
13 delegate) shall submit to Congress a report detailing  
14 the steps taken under paragraph (1).

15 (e) CLERICAL AMENDMENT.—The table of sections  
16 for subpart A of part IV of subchapter A of chapter 1  
17 of such Code is amended by striking the item relating to  
18 section 25B and inserting the following new item:

“Sec. 25B. Saver's credit.”.

19 (f) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 the date of the enactment of this Act.

22 **SEC. 104. ENHANCEMENT OF 403(b) PLANS.**

23 (a) IN GENERAL.—

24 (1) PERMITTED INVESTMENTS.—Section  
25 403(b)(7)(A) of the Internal Revenue Code of 1986

1 is amended by striking “if the amounts are to be in-  
2 vested in regulated investment company stock to be  
3 held in that custodial account” and inserting “if the  
4 amounts are to be held in that custodial account and  
5 invested in regulated investment company stock or a  
6 group trust intended to satisfy the requirements of  
7 Internal Revenue Service Revenue Ruling 81–100  
8 (or any successor guidance)”.

9 (2) CONFORMING AMENDMENT.—The heading  
10 of paragraph (7) of section 403(b) of such Code is  
11 amended by striking “FOR REGULATED INVESTMENT  
12 COMPANY STOCK”.

13 (3) EFFECTIVE DATE.—The amendments made  
14 by this subsection shall apply to amounts invested  
15 after December 31, 2020.

16 (b) AMENDMENTS TO THE INVESTMENT COMPANY  
17 ACT OF 1940.—Section 3(c)(11) of the Investment Com-  
18 pany Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended  
19 to read as follows:

20 “(11) Any—

21 “(A) employee’s stock bonus, pension, or  
22 profit-sharing trust which meets the require-  
23 ments for qualification under section 401 of the  
24 Internal Revenue Code of 1986;

1           “(B) custodial account meeting the re-  
2           quirements of section 403(b)(7) of such Code;

3           “(C) governmental plan described in sec-  
4           tion 3(a)(2)(C) of the Securities Act of 1933;

5           “(D) collective trust fund maintained by a  
6           bank consisting solely of assets of one or  
7           more—

8                   “(i) trusts described in subparagraph  
9                   (A);

10                   “(ii) government plans described in  
11                   subparagraph (C);

12                   “(iii) church plans, companies, or ac-  
13                   counts that are excluded from the defini-  
14                   tion of an investment company under para-  
15                   graph (14) of this subsection; or

16                   “(iv) plans which meet the require-  
17                   ments of section 403(b) of the Internal  
18                   Revenue Code of 1986 if—

19                           “(I) such plan is subject to title  
20                           I of the Employee Retirement Income  
21                           Security Act of 1974 (29 U.S.C. 1001  
22                           et seq.);

23                           “(II) any employer making such  
24                           plan available agrees to serve as a fi-  
25                           duciary for the plan with respect to

1 the selection of the plan's investments  
2 among which participants can choose;  
3 or

4 “(III) such plan is a govern-  
5 mental plan (as defined in section  
6 414(d) of such Code); or

7 “(E) separate account the assets of which  
8 are derived solely from—

9 “(i) contributions under pension or  
10 profit-sharing plans which meet the re-  
11 quirements of section 401 of the Internal  
12 Revenue Code of 1986 or the requirements  
13 for deduction of the employer's contribu-  
14 tion under section 404(a)(2) of such Code;

15 “(ii) contributions under govern-  
16 mental plans in connection with which in-  
17 terests, participations, or securities are ex-  
18 empted from the registration provisions of  
19 section 5 of the Securities Act of 1933 by  
20 section 3(a)(2)(C) of such Act;

21 “(iii) advances made by an insurance  
22 company in connection with the operation  
23 of such separate account; and

24 “(iv) contributions to a plan described  
25 in subparagraph (D)(iv).”.



1 (c) AMENDMENTS TO THE SECURITIES ACT OF  
2 1933.—Section 3(a)(2) of the Securities Act of 1933 (15  
3 U.S.C. 77c(a)(2)) is amended—

4 (1) by striking “or (D)” and inserting “(D) a  
5 plan which meets the requirements of section 403(b)  
6 of such Code if (i) such plan is subject to title I of  
7 the Employee Retirement Income Security Act of  
8 1974 (29 U.S.C. 1001 et seq.), (ii) any employer  
9 making such plan available agrees to serve as a fidu-  
10 ciary for the plan with respect to the selection of the  
11 plan’s investments among which participants can  
12 choose, or (iii) such plan is a governmental plan (as  
13 defined in section 414(d) of such Code); or (E)”;

14 (2) by striking “(C), or (D)” and inserting  
15 “(C), (D), or (E)”; and

16 (3) by striking “(iii) which is a plan funded”  
17 and inserting “(iii) in the case of a plan not de-  
18 scribed in subparagraph (D), which is a plan fund-  
19 ed”.

20 (d) AMENDMENTS TO THE SECURITIES EXCHANGE  
21 ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-  
22 change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-  
23 ed—

24 (1) by striking “or (iv)” and inserting “(iv) a  
25 plan which meets the requirements of section 403(b)

1 of such Code if (I) such plan is subject to title I of  
2 the Employee Retirement Income Security Act of  
3 1974 (29 U.S.C. 1001 et seq.), (II) any employer  
4 making such plan available agrees to serve as a fidu-  
5 ciary for the plan with respect to the selection of the  
6 plan's investments among which participants can  
7 choose, or (III) such plan is a governmental plan (as  
8 defined in section 414(d) of such Code), or (v)";

9 (2) by striking "(ii), or (iii)" and inserting  
10 "(ii), (iii), or (iv)"; and

11 (3) by striking "(II) is a plan funded" and in-  
12 serting "(II) in the case of a plan not described in  
13 clause (iv), is a plan funded".

14 **SEC. 105. INCREASE IN AGE FOR REQUIRED BEGINNING**  
15 **DATE FOR MANDATORY DISTRIBUTIONS.**

16 (a) IN GENERAL.—Section 401(a)(9)(C)(i)(I) of the  
17 Internal Revenue Code of 1986 is amended by striking  
18 "age 72" and inserting "age 75".

19 (b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR  
20 OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-  
21 tion 401(a)(9) of such Code are each amended by striking  
22 "age 72" and inserting "age 75".

23 (c) CONFORMING AMENDMENTS.—The last sentence  
24 of section 408(b) of such Code is amended by striking  
25 "age 72" and inserting "age 75".

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to distributions required to be  
3 made after December 31, 2020, with respect to individuals  
4 who attain age 72 after such date.

5 **SEC. 106. DEFERRAL OF TAX FOR CERTAIN SALES OF EM-**  
6 **PLOYER STOCK TO EMPLOYEE STOCK OWN-**  
7 **ERSHIP PLAN SPONSORED BY S CORPORA-**  
8 **TION.**

9 (a) IN GENERAL.—Section 1042(c)(1)(A) of the In-  
10 ternal Revenue Code of 1986 is amended by striking “do-  
11 mestic C corporation” and inserting “domestic corpora-  
12 tion”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to sales after the date of the enact-  
15 ment of this Act.

16 **SEC. 107. INDEXING IRA CATCH-UP LIMIT.**

17 (a) IN GENERAL.—Subparagraph (C) of section  
18 219(b)(5) of the Internal Revenue Code of 1986 is amend-  
19 ed by adding at the end the following new clause:

20 “(iii) INDEXING OF CATCH-UP LIMITA-  
21 TION.—In the case of any taxable year be-  
22 ginning in a calendar year after 2021, the  
23 \$1,000 amount under subparagraph (B)(ii)  
24 shall be increased by an amount equal to—

1 “(I) such dollar amount, multi-  
2 plied by

3 “(II) the cost-of-living adjust-  
4 ment determined under section 1(f)(3)  
5 for the calendar year in which the tax-  
6 able year begins, determined by sub-  
7 stituting ‘calendar year 2020’ for ‘cal-  
8 endar year 2016’ in subparagraph  
9 (A)(ii) thereof.

10 If any amount after adjustment under the  
11 preceding sentence is not a multiple of  
12 \$100, such amount shall be rounded to the  
13 next lower multiple of \$100.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2021.

17 **SEC. 108. HIGHER CATCH-UP LIMIT TO APPLY AT AGE 60.**

18 (a) **IN GENERAL.**—

19 (1) **PLANS OTHER THAN SIMPLE PLANS.**—Sec-  
20 tion 414(v)(2)(B)(i) of the Internal Revenue Code of  
21 1986 is amended by inserting the following before  
22 the period: “(\$10,000, in the case of an eligible par-  
23 ticipant who has attained age 60 before the close of  
24 the taxable year)”.

1           (2) SIMPLE PLANS.—Section 414(v)(2)(B)(ii) of  
2           such Code is amended by inserting the following be-  
3           fore the period: “(\$5,000, in the case of an eligible  
4           participant who has attained age 60 before the close  
5           of the taxable year)”.

6           (b) COST-OF-LIVING ADJUSTMENTS.—Subparagraph  
7           (C) of section 414(v)(2) of such Code is amended by add-  
8           ing at the end the following: “In the case of a year begin-  
9           ning after December 31, 2021, the Secretary shall adjust  
10          annually the \$10,000 amount in subparagraph (B)(i) and  
11          the \$5,000 amount in subparagraph (B)(ii) for increases  
12          in the cost-of-living at the same time and in the same  
13          manner as adjustments under the preceding sentence; ex-  
14          cept that the base period taken into account shall be the  
15          calendar quarter beginning July 1, 2020.”.

16          (c) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to years beginning after December  
18          31, 2020.

19   **SEC. 109. MULTIPLE EMPLOYER 403(b) PLANS.**

20          (a) IN GENERAL.—Section 403(b) of the Internal  
21          Revenue Code of 1986 is amended by adding at the end  
22          the following new paragraph:

23                   “(15) MULTIPLE EMPLOYER PLANS.—

24                           “(A) IN GENERAL.—Except in the case of  
25                           a church plan, this subsection shall not be

1 treated as failing to apply to an annuity con-  
2 tract solely by reason of such contract being  
3 purchased under a plan maintained by more  
4 than 1 employer.

5 “(B) TREATMENT OF EMPLOYERS FAILING  
6 TO MEET REQUIREMENTS OF PLAN.—

7 “(i) IN GENERAL.—In the case of a  
8 plan maintained by more than 1 employer,  
9 this subsection shall not be treated as fail-  
10 ing to apply to an annuity contract held  
11 under such plan merely because of one or  
12 more employers failing to meet the require-  
13 ments of this subsection if such plan satis-  
14 fies rules similar to the rules of section  
15 413(e)(2) with respect to any such em-  
16 ployer failure.

17 “(ii) ADDITIONAL REQUIREMENTS IN  
18 CASE OF NON-GOVERNMENTAL PLANS.—A  
19 plan shall not be treated as meeting the re-  
20 quirements of this subparagraph unless the  
21 plan meets the requirements of subpara-  
22 graph (A) or (B) of section 413(e)(1), ex-  
23 cept in the case of a multiple employer  
24 plan maintained solely by any of the fol-  
25 lowing: A State, a political subdivision of a

1 State, or an agency or instrumentality of  
2 any one or more of the foregoing.”.

3 (b) ANNUAL REGISTRATION FOR 403(b) MULTIPLE  
4 EMPLOYER PLAN.—Section 6057 of such Code is amend-  
5 ed by redesignating subsection (g) as subsection (h) and  
6 by inserting after subsection (f) the following new sub-  
7 section:

8 “(g) 403(b) MULTIPLE EMPLOYER PLANS TREATED  
9 AS ONE PLAN.—In the case of annuity contracts to which  
10 this section applies and to which section 403(b) applies  
11 by reason of the plan under which such contracts are pur-  
12 chased meeting the requirements of paragraph (15) there-  
13 of, such plan shall be treated as a single plan for purposes  
14 of this section.”.

15 (c) ANNUAL INFORMATION RETURNS FOR 403(b)  
16 MULTIPLE EMPLOYER PLAN.—Section 6058 of the Inter-  
17 nal Revenue Code of 1986 is amended by redesignating  
18 subsection (f) as subsection (g) and by inserting after sub-  
19 section (e) the following new subsection:

20 “(f) 403(b) MULTIPLE EMPLOYER PLANS TREATED  
21 AS ONE PLAN.—In the case of annuity contracts to which  
22 this section applies and to which section 403(b) applies  
23 by reason of the plan under which such contracts are pur-  
24 chased meeting the requirements of paragraph (15) there-

1 of, such plan shall be treated as a single plan for purposes  
2 of this section.”.

3 (d) AMENDMENTS TO EMPLOYEE RETIREMENT IN-  
4 COME SECURITY ACT OF 1974.—

5 (1) TREATED AS POOLED EMPLOYER PLAN.—

6 (A) IN GENERAL.—Section 3(43)(A) of the  
7 Employee Retirement Income Security Act of  
8 1974 is amended—

9 (i) in clause (ii), by striking “section  
10 501(a) of such Code or” and inserting  
11 “501(a) of such Code, a plan that consists  
12 of contracts described in section 403(b) of  
13 such Code, or”; and

14 (ii) in the flush text at the end, by  
15 striking “the plan.” and inserting “the  
16 plan, but such term shall include any pro-  
17 gram (other than a governmental plan)  
18 maintained for the benefit of the employees  
19 of more than 1 employer that consists of  
20 contracts described in section 403(b) of  
21 such Code and that meets the require-  
22 ments of subparagraph (A) or (B) of sec-  
23 tion 413(e)(1) of such Code.”.

24 (B) CONFORMING AMENDMENTS.—Sec-  
25 tions 3(43)(B)(v)(II) and 3(44)(A)(i)(I) of such



1 Act are each amended by striking “section  
2 401(a) of such Code or” and inserting “401(a)  
3 of such Code, a plan that consists of contracts  
4 described in section 403(b) of such Code, or”.

5 (2) FIDUCIARIES.—Section 3(43)(B)(ii) of such  
6 Act is amended—

7 (A) by striking “trustees meeting the re-  
8 quirements of section 408(a)(2) of the Internal  
9 Revenue Code of 1986” and inserting “trustees  
10 (or other fiduciaries in the case of a plan that  
11 consists of contracts described in section 403(b)  
12 of the Internal Revenue Code of 1986) meeting  
13 the requirements of section 408(a)(2) of such  
14 Code”, and

15 (B) by striking “holding” and inserting  
16 “holding (or causing to be held under the terms  
17 of a plan consisting of such contracts)”.

18 (e) REGULATIONS RELATING TO PLAN TERMI-  
19 NATION.—The Secretary of the Treasury (or the Sec-  
20 retary’s designee) shall prescribe such regulations as may  
21 be necessary to clarify the treatment of a plan termination  
22 by an employer in the case of plans to which section  
23 403(b)(15) of such Code applies.

24 (f) MODIFICATION OF MODEL PLAN LANGUAGE.—

1           (1) PLAN NOTIFICATIONS.—The Secretary of  
2           the Treasury (or the Secretary’s designee) shall  
3           modify the model plan language published under sec-  
4           tion 413(e)(5) of the Internal Revenue Code of 1986  
5           to include language which notifies participating em-  
6           ployers which are exempt from tax under section  
7           501(a) of such Code that the plan is subject to the  
8           Employee Retirement Income Security Act of 1974  
9           and that such employer is a plan sponsor with re-  
10          spect to its employees participating in the multiple  
11          employer plan and, as such, has certain fiduciary  
12          duties with respect to the plan and to its employees.

13           (2) MODEL PLANS FOR MULTIPLE EMPLOYER  
14          403(b) NON-GOVERNMENTAL PLANS.—For plans to  
15          which section 403(b)(15)(A) of the Internal Revenue  
16          Code of 1986 applies (other than a plan maintained  
17          for its employees by a State, a political subdivision  
18          of a State, or an agency or instrumentality of any  
19          one or more of the foregoing) the Secretary shall  
20          publish model plan language similar to model plan  
21          language published under section 413(e)(5) of such  
22          Code.

23           (g) NO INFERENCE WITH RESPECT TO CHURCH  
24          PLANS.—Regarding any application of section 403(b) of  
25          the Internal Revenue Code of 1986 to an annuity contract

1 purchased under a church plan (as defined in section  
2 414(e) of such Code) maintained by more than 1 em-  
3 ployer, or to any application of rules similar to section  
4 413(e) of such Code to such a plan, no inference shall  
5 be made from section 403(b)(15)(A) of such Code (as  
6 added by this Act) not applying to such plans.

7 (h) EFFECTIVE DATE.—

8 (1) IN GENERAL.—The amendments made by  
9 this section shall apply to plan years beginning after  
10 December 31, 2020.

11 (2) RULE OF CONSTRUCTION.—Nothing in the  
12 amendments made by subsection (a) shall be con-  
13 strued as limiting the authority of the Secretary of  
14 the Treasury or the Secretary’s delegate (determined  
15 without regard to such amendment) to provide for  
16 the proper treatment of a failure to meet any re-  
17 quirement applicable under such Code with respect  
18 to one employer (and its employees) in the case of  
19 a plan to which section 403(b)(15) applies.

20 **SEC. 110. TREATMENT OF STUDENT LOAN PAYMENTS AS**  
21 **ELECTIVE DEFERRALS FOR PURPOSES OF**  
22 **MATCHING CONTRIBUTIONS.**

23 (a) IN GENERAL.—Subparagraph (A) of section  
24 401(m)(4) of the Internal Revenue Code of 1986 is  
25 amended by striking “and” at the end of clause (i), by

1 striking the period at the end of clause (ii) and inserting  
2 “, and”, and by adding at the end the following new  
3 clause:

4 “(iii) subject to the requirements of  
5 paragraph (13), any employer contribution  
6 made to a defined contribution plan on be-  
7 half of an employee on account of a quali-  
8 fied student loan payment.”.

9 (b) QUALIFIED STUDENT LOAN PAYMENT.—Para-  
10 graph (4) of section 401(m) of such Code is amended by  
11 adding at the end the following new subparagraph:

12 “(D) QUALIFIED STUDENT LOAN PAY-  
13 MENT.—The term ‘qualified student loan pay-  
14 ment’ means a payment made by an employee  
15 in repayment of a qualified education loan (as  
16 defined section 221(d)(1)) incurred by the em-  
17 ployee to pay qualified higher education ex-  
18 penses, but only—

19 “(i) to the extent such payments in  
20 the aggregate for the year do not exceed  
21 an amount equal to—

22 “(I) the limitation applicable  
23 under section 402(g) for the year (or,  
24 if lesser, the employee’s compensation

1 (as defined in section 415(c)(3)) for  
2 the year), reduced by

3 “(II) the elective deferrals made  
4 by the employee for such year, and

5 “(ii) if the employee certifies to the  
6 employer making the matching contribu-  
7 tion under this paragraph that such pay-  
8 ment has been made on such loan.

9 For purposes of this subparagraph, the term  
10 ‘qualified higher education expenses’ means the  
11 cost of attendance (as defined in section 472 of  
12 the Higher Education Act of 1965, as in effect  
13 on the day before the date of the enactment of  
14 the Taxpayer Relief Act of 1997) at an eligible  
15 educational institution (as defined in section  
16 221(d)(2)).”.

17 (c) MATCHING CONTRIBUTIONS FOR QUALIFIED  
18 STUDENT LOAN PAYMENTS.—Subsection (m) of section  
19 401 of such Code is amended by redesignating paragraph  
20 (13) as paragraph (14), and by inserting after paragraph  
21 (12) the following new paragraph:

22 “(13) MATCHING CONTRIBUTIONS FOR QUALI-  
23 FIED STUDENT LOAN PAYMENTS.—

24 “(A) IN GENERAL.—For purposes of para-  
25 graph (4)(A)(iii), an employer contribution

1 made to a defined contribution plan on account  
2 of a qualified student loan payment shall be  
3 treated as a matching contribution for purposes  
4 of this title if—

5 “(i) the plan provides matching con-  
6 tributions on account of elective deferrals  
7 at the same rate as contributions on ac-  
8 count of qualified student loan payments,

9 “(ii) the plan provides matching con-  
10 tributions on account of qualified student  
11 loan payments only on behalf of employees  
12 otherwise eligible to receive matching con-  
13 tributions on account of elective deferrals,

14 “(iii) under the plan, all employees el-  
15 ible to receive matching contributions on  
16 account of elective deferrals are eligible to  
17 receive matching contributions on account  
18 of qualified student loan payments, and

19 “(iv) the plan provides that matching  
20 contributions on account of qualified stu-  
21 dent loan payments vest in the same man-  
22 ner as matching contributions on account  
23 of elective deferrals.

24 “(B) TREATMENT FOR PURPOSES OF NON-  
25 DISCRIMINATION RULES, ETC.—

1           “(i) NONDISCRIMINATION RULES.—  
2           For purposes of subparagraph (A)(iii),  
3           subsection (a)(4), and section 410(b),  
4           matching contributions described in para-  
5           graph (4)(A)(iii) shall not fail to be treated  
6           as available to an employee solely because  
7           such employee does not have debt incurred  
8           under a qualified education loan (as de-  
9           fined in section 221(d)(1)).

10           “(ii) STUDENT LOAN PAYMENTS NOT  
11           TREATED AS PLAN CONTRIBUTION.—Ex-  
12           cept as provided in clause (iii), a qualified  
13           student loan payment shall not be treated  
14           as a contribution to a plan under this title.

15           “(iii) MATCHING CONTRIBUTION  
16           RULES.—Solely for purposes of meeting  
17           the requirements of paragraph (11)(B) or  
18           (12) of this subsection, or paragraph  
19           (11)(B)(i)(II), (12)(B), or (13)(D) of sub-  
20           section (k), a plan may treat a qualified  
21           student loan payment as an elective defer-  
22           ral or an elective contribution, whichever is  
23           applicable.”.

1 (d) SIMPLE RETIREMENT ACCOUNTS.—Paragraph  
2 (2) of section 408(p) of such Code is amended by adding  
3 at the end the following new subparagraph:

4 “(F) MATCHING CONTRIBUTIONS FOR  
5 QUALIFIED STUDENT LOAN PAYMENTS.—

6 “(i) IN GENERAL.—Subject to the  
7 rules of clause (iii), an arrangement shall  
8 not fail to be treated as meeting the re-  
9 quirements of subparagraph (A)(iii) solely  
10 because under the arrangement, solely for  
11 purposes of such subparagraph, qualified  
12 student loan payments are treated as  
13 amounts elected by the employee under  
14 subparagraph (A)(i)(I) to the extent such  
15 payments do not exceed—

16 “(I) the applicable dollar amount  
17 under subparagraph (E) (after appli-  
18 cation of section 414(v)) for the year  
19 (or, if lesser, the employee’s com-  
20 pensation (as defined in section  
21 415(c)(3)) for the year), reduced by

22 “(II) any other amounts elected  
23 by the employee under subparagraph  
24 (A)(i)(I) for the year.



1                   “(ii) QUALIFIED STUDENT LOAN PAY-  
2                   MENT.—For purposes of this subpara-  
3                   graph—

4                   “(I) IN GENERAL.—The term  
5                   ‘qualified student loan payment’  
6                   means a payment made by an em-  
7                   ployee in repayment of a qualified  
8                   education loan (as defined in section  
9                   221(d)(1)) incurred by the employee  
10                  to pay qualified higher education ex-  
11                  penses, but only if the employee cer-  
12                  tifies to the employer making the  
13                  matching contribution that such pay-  
14                  ment has been made on such a loan.

15                  “(II) QUALIFIED HIGHER EDU-  
16                  CATION EXPENSES.—The term ‘quali-  
17                  fied higher education expenses’ has  
18                  the same meaning as when used in  
19                  section 401(m)(4)(D).

20                  “(iii) APPLICABLE RULES.—Clause (i)  
21                  shall apply to an arrangement only if,  
22                  under the arrangement—

23                  “(I) matching contributions on  
24                  account of qualified student loan pay-  
25                  ments are provided only on behalf of

1 employees otherwise eligible to elect  
2 contributions under subparagraph  
3 (A)(i)(I), and

4 “(II) all employees otherwise eli-  
5 gible to participate in the arrange-  
6 ment are eligible to receive matching  
7 contributions on account of qualified  
8 student loan payments.”.

9 (e) 403(b) PLANS.—Subparagraph (A) of section  
10 403(b)(12) of such Code is amended by adding at the end  
11 the following: “The fact that the employer offers matching  
12 contributions on account of qualified student loan pay-  
13 ments as described in section 401(m)(13) shall not be  
14 taken into account in determining whether the arrange-  
15 ment satisfies the requirements of clause (ii) (and any reg-  
16 ulation thereunder).”.

17 (f) 457(b) PLANS.—Subsection (b) of section 457 of  
18 such Code is amended by adding at the end the following:  
19 “A plan which is established and maintained by an em-  
20 ployer which is described in subsection (e)(1)(A) shall not  
21 be treated as failing to meet the requirements of this sub-  
22 section solely because the plan, or another plan main-  
23 tained by the employer which meets the requirements of  
24 section 401(a), provides for matching contributions on ac-

1 count of qualified student loan payments as described in  
2 section 401(m)(13).”.

3 (g) REGULATORY AUTHORITY.—The Secretary shall  
4 prescribe regulations for purposes of implementing the  
5 amendments made by this section, including regulations—

6 (1) permitting a plan to make matching con-  
7 tributions for qualified student loan payments, as  
8 defined in sections 401(m)(4)(D) and 408(p)(2)(F)  
9 of the Internal Revenue Code of 1986, as added by  
10 this section, at a different frequency than matching  
11 contributions are otherwise made under the plan,  
12 provided that the frequency is not less than annu-  
13 ally;

14 (2) permitting employers to establish reasonable  
15 procedures to claim matching contributions for such  
16 qualified student loan payments under the plan, in-  
17 cluding an annual deadline (not earlier than 3  
18 months after the close of each plan year) by which  
19 a claim must be made; and

20 (3) promulgating model amendments which  
21 plans may adopt to implement matching contribu-  
22 tions on such qualified student loan payments for  
23 purposes of sections 401(m), 408(p), 403(b), and  
24 457(b) of the Internal Revenue Code of 1986.

1 (h) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to contributions made for years  
3 beginning after December 31, 2020.

4 **SEC. 111. APPLICATION OF CREDIT FOR SMALL EMPLOYER**  
5 **PENSION PLAN STARTUP COSTS TO EMPLOY-**  
6 **ERS WHICH JOIN AN EXISTING PLAN.**

7 (a) IN GENERAL.—Section 45E(d)(3)(A) of the In-  
8 ternal Revenue Code of 1986 is amended by striking “ef-  
9 fective” and inserting “effective with respect to the eligible  
10 employer”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to eligible employer plans which  
13 become effective with respect to the eligible employer after  
14 the date of the enactment of this Act.

15 **SEC. 112. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**  
16 **BILITY CREDIT FOR SMALL EMPLOYERS.**

17 (a) IN GENERAL.—Subpart D of part IV of sub-  
18 chapter A of chapter 1 of the Internal Revenue Code of  
19 1986 is amended by adding at the end the following new  
20 section:

21 **“SEC. 45U. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**  
22 **BILITY CREDIT FOR SMALL EMPLOYERS.**

23 “(a) IN GENERAL.—For purposes of section 38, in  
24 the case of any eligible small employer, the military spouse  
25 retirement plan eligibility credit determined under this

1 section for any taxable year is an amount equal to the  
2 sum of—

3 “(1) \$250 with respect to each military spouse  
4 who is an employee of such employer and who is eli-  
5 gible to participate in an eligible defined contribu-  
6 tion plan of such employer at any time during such  
7 taxable year, plus

8 “(2) so much of the contributions made by such  
9 employer to all such plans with respect to such em-  
10 ployee during such taxable year as do not exceed  
11 \$250.

12 “(b) LIMITATION.—An individual shall only be taken  
13 into account as a military spouse under subsection (a) for  
14 the taxable year which includes the date on which such  
15 individual began participating in the eligible defined con-  
16 tribution plan of the employer and the 2 succeeding tax-  
17 able years.

18 “(c) ELIGIBLE SMALL EMPLOYER.—For purposes of  
19 this section—

20 “(1) IN GENERAL.—The term ‘eligible small  
21 employer’ means an eligible employer (as defined in  
22 section 408(p)(2)(C)(i)(I)).

23 “(2) APPLICATION OF 2-YEAR GRACE PERIOD.—  
24 A rule similar to the rule of section

1       408(p)(2)(C)(i)(II) shall apply for purposes of this  
2       section.

3       “(d) MILITARY SPOUSE.—For purposes of this sec-  
4       tion—

5               “(1) IN GENERAL.—The term ‘military spouse’  
6       means, with respect to any employer, any individual  
7       who is married (within the meaning of section 7703  
8       as of the first date that the employee is employed by  
9       the employer) to an individual who is a member of  
10       the uniformed services (as defined section 101(a)(5)  
11       of title 10, United States Code). For purposes of  
12       this section, an employer may rely on an employee’s  
13       certification that such employee’s spouse is a mem-  
14       ber of the uniformed services if such certification  
15       provides the name, rank, and service branch of such  
16       spouse.

17               “(2) EXCLUSION OF HIGHLY COMPENSATED  
18       EMPLOYEES.—With respect to any employer, the  
19       term ‘military spouse’ shall not include any indi-  
20       vidual if such individual is a highly compensated em-  
21       ployee of such employer (within the meaning of sec-  
22       tion 414(q)).

23       “(e) ELIGIBLE DEFINED CONTRIBUTION PLAN.—  
24       For purposes of this section, the term ‘eligible defined con-  
25       tribution plan’ means, with respect to any eligible small

1 employer, any defined contribution plan (as defined in sec-  
2 tion 414(i)) of such employer if, under the terms of such  
3 plan—

4 “(1) military spouses employed by such em-  
5 ployer are eligible to participate in such plan not  
6 later than the date which is 2 months after the date  
7 on which such individual begins employment with  
8 such employer, and

9 “(2) military spouses who are eligible to partici-  
10 pate in such plan—

11 “(A) are immediately eligible to receive an  
12 amount of employer contributions under such  
13 plan which is not less the amount of such con-  
14 tributions that a similarly situated participant  
15 who is not a military spouse would be eligible  
16 to receive under such plan after 2 years of serv-  
17 ice, and

18 “(B) immediately have a nonforfeitable  
19 right to the employee’s accrued benefit derived  
20 from employer contributions under such plan.

21 “(f) AGGREGATION RULE.—All persons treated as a  
22 single employer under subsection (b), (c), (m) or (o) of  
23 section 414 shall be treated as one employer for purposes  
24 of this section.”.

1 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
2 NESS CREDIT.—Section 38(b) of such Code is amended  
3 by striking “plus” at the end of paragraph (32), by strik-  
4 ing the period at the end of paragraph (33) and inserting  
5 “, plus”, and by adding at the end the following new para-  
6 graph:

7 “(34) in the case of an eligible small employer  
8 (as defined in section 45U(c)), the military spouse  
9 retirement plan eligibility credit determined under  
10 section 45U(a).”.

11 (c) CLERICAL AMENDMENT.—The table of sections  
12 for subpart D of part IV of subchapter A of chapter 1  
13 of such Code is amended by adding at the end the fol-  
14 lowing new item:

“Sec. 45U. Military spouse retirement plan eligibility credit for small employ-  
ers.”.

15 (d) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 the date of the enactment of this Act.

18 **SEC. 113. SMALL IMMEDIATE FINANCIAL INCENTIVES FOR**  
19 **CONTRIBUTING TO A PLAN.**

20 (a) IN GENERAL.—Subparagraph (A) of section  
21 401(k)(4) of the Internal Revenue Code of 1986 is amend-  
22 ed by inserting “(other than a de minimis financial incen-  
23 tive)” after “any other benefit”.



1           (b) SECTION 403(b) PLANS.—Subparagraph (A) of  
2 section 403(b)(12) of such Code, as amended by the pre-  
3 ceding provisions of this Act, is further amended by add-  
4 ing at the end the following: “A plan shall not fail to sat-  
5 isfy clause (ii) solely by reason of offering a de minimis  
6 financial incentive to employees to elect to have the em-  
7 ployer make contributions pursuant to a salary reduction  
8 agreement.”.

9           (c) EXEMPTION FROM PROHIBITED TRANSACTION  
10 RULES.—Subsection (d) of section 4975 of such Code is  
11 amended by striking “or” at the end of paragraph (22),  
12 by striking the period at the end of paragraph (23) and  
13 inserting “, or”, and by adding at the end the following  
14 new paragraph:

15                   “(24) the provision of a de minimis financial in-  
16 centive described in section 401(k)(4)(A) or  
17 403(b)(12)(A).”.

18           (d) AMENDMENT OF EMPLOYEE RETIREMENT IN-  
19 COME SECURITY ACT OF 1974.—Subsection (b) of section  
20 408 of the Employee Retirement Income Security Act of  
21 1974 (29 U.S.C. 1108(b)) is amended by adding at the  
22 end the following new paragraph:

23                   “(21) The provision of a de minimis financial  
24 incentive described in section 401(k)(4)(A) or

1 403(b)(12)(A) of the Internal Revenue Code of  
2 1986.”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to plan years begin-  
5 ning after the date of enactment of this Act.

6 **SEC. 114. SAFE HARBOR FOR CORRECTIONS OF EMPLOYEE**  
7 **ELECTIVE DEFERRAL FAILURES.**

8 (a) IN GENERAL.—Section 414 of the Internal Rev-  
9 enue Code of 1986 is amended by adding at the end the  
10 following new subsection:

11 “(aa) CORRECTING AUTOMATIC CONTRIBUTION ER-  
12 RORS.—

13 “(1) IN GENERAL.—Any plan or arrangement  
14 shall not fail to be treated as a plan described in  
15 sections 401(a), 403(b), 408, or 457(b), as applica-  
16 ble, solely by reason of a corrected error.

17 “(2) CORRECTED ERROR DEFINED.—For pur-  
18 poses of this subsection, the term ‘corrected error’  
19 means a reasonable administrative error in imple-  
20 menting an automatic enrollment or automatic esca-  
21 lation feature in accordance with the terms of an eli-  
22 gible automatic contribution arrangement (as de-  
23 fined under subsection (w)(3)), provided that such  
24 implementation error—

1           “(A) is corrected by the date that is 9½  
2           months after the end of the plan year during  
3           which the failure occurred,

4           “(B) is corrected in a manner that is fa-  
5           vorable to the participant, and

6           “(C) is of a type which is so corrected for  
7           all similarly situated participants in a non-  
8           discriminatory manner.

9           Such correction may occur before or after the partic-  
10          ipant has terminated employment and may occur  
11          without regard to whether the error is identified by  
12          the Secretary.

13          “(3) REGULATIONS AND GUIDANCE FOR FAVOR-  
14          ABLE CORRECTION METHODS.—The Secretary shall,  
15          by regulations or other guidance of general applica-  
16          bility, specify the correction methods that are in a  
17          manner favorable to the participant for purposes of  
18          paragraph (2)(B).”.

19          (b) EFFECTIVE DATE.—The amendment made by  
20          this section shall apply with respect to any errors with  
21          respect to which the date referred to in section 414(aa)  
22          (as added by this section) is after the date of enactment  
23          of this Act.

1 **SEC. 115. ONE-YEAR REDUCTION IN PERIOD OF SERVICE**  
2 **REQUIREMENT FOR LONG-TERM, PART-TIME**  
3 **WORKERS.**

4 (a) **IN GENERAL.**—Section 401(k)(2)(D)(ii) of the  
5 Internal Revenue Code of 1986 is amended by striking  
6 “3” and inserting “2”.

7 (b) **EFFECTIVE DATE.**—The amendment made by  
8 this section shall take effect as if included in the addition  
9 of section 401(k)(2)(D)(ii) of such Code by section 112  
10 of the Setting Every Community Up for Retirement En-  
11 hancement Act of 2019.

12 **SEC. 116. GOVERNMENTAL PENSION PLANS MAY INCLUDE**  
13 **CERTAIN FIREFIGHTERS, EMERGENCY MED-**  
14 **ICAL TECHNICIANS, AND PARAMEDICS.**

15 (a) **INTERNAL REVENUE CODE OF 1986.**—Section  
16 414(d) of the Internal Revenue Code of 1986 (relating to  
17 governmental plans) is amended by adding at the end the  
18 following: “The term ‘governmental plan’ also includes a  
19 plan which is established by a State or political subdivision  
20 thereof and maintained by a public safety agency (de-  
21 scribed in section 501(c) and exempt from taxation under  
22 section 501(a)), and all of the participants of which are  
23 employees of such agency who are emergency response  
24 providers (defined in section 2 of the Homeland Security  
25 Act of 2002 (6 U.S.C. 101)), substantially all of whose  
26 services as emergency response providers are in the per-

1 formance of firefighting services or out-of-hospital emer-  
2 gency medical services for a political subdivision of a State  
3 under a contract between such public safety agency and  
4 the political subdivision of a State.”.

5 (b) EMPLOYEE RETIREMENT INCOME SECURITY ACT  
6 OF 1974.—

7 (1) IN GENERAL.—Section 3(32) of the Em-  
8 ployee Retirement Income Security Act of 1974 (29  
9 U.S.C. 1002(32)) is amended by adding at the end  
10 the following: “. The term ‘governmental plan’ also  
11 includes a plan which is established by a State or  
12 political subdivision thereof and maintained by a  
13 public safety agency (described in section 501(e) of  
14 the Internal Revenue Code of 1986 and exempt from  
15 taxation under section 501(a) of such Code), and all  
16 of the participants of which are employees of such  
17 agency who are emergency response providers (de-  
18 fined in section 2 of the Homeland Security Act of  
19 2002 (6 U.S.C. 101)), substantially all of whose  
20 services as emergency response providers are in the  
21 performance of firefighting services or out-of-hos-  
22 pital emergency medical services for a political sub-  
23 division of a State under a contract between such  
24 public safety agency and the political subdivision of  
25 a State.”.

1           (2) PBGC EXCEPTION.—Section 4021(b)(2) of  
2 such Act (29 U.S.C. 1321(b)(2)) is amended by  
3 striking “described in the last sentence of section  
4 3(32)” and inserting “described in either of the last  
5 two sentences of section 3(32).”.

6           (c) CONFORMING AMENDMENTS.—

7           (1) Section 414(h)(2) of the Internal Revenue  
8 Code of 1986 is amended by striking “described in  
9 the last sentence of section 414(d) (relating to plans  
10 of Indian tribal governments)” and inserting “de-  
11 scribed in either of the last two sentences of sub-  
12 section (d)”.

13           (2) Section 415(b)(2)(H)(i) of such Code is  
14 amended by adding at the end the following: “or a  
15 public safety agency described in the last sentence of  
16 section 414(d).”.

17           (3) Section 415(b)(2)(H)(ii)(I) of such Code is  
18 amended by striking “or any political subdivision”  
19 and inserting “any political subdivision, or a public  
20 safety agency described in the last sentence of sec-  
21 tion 414(d)”.

22           (4) Section 415(b)(10)(A) of such Code is  
23 amended by striking “described in the last sentence  
24 of section 414(d) (relating to plans of Indian tribal

1 governments)” and inserting “described in either of  
2 the last two sentences of section 414(d)”.

3 (d) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to plan years beginning after the  
5 date of the enactment of this Act.

6 **TITLE II—PRESERVATION OF**  
7 **INCOME**

8 **SEC. 201. REMOVE REQUIRED MINIMUM DISTRIBUTION**  
9 **BARRIERS FOR LIFE ANNUITIES.**

10 (a) **IN GENERAL.**—Paragraph (9) of section 401(a)  
11 of the Internal Revenue Code of 1986 is amended by add-  
12 ing at the end the following new subparagraph:

13 “(J) **CERTAIN INCREASES IN PAYMENTS**  
14 **UNDER A COMMERCIAL ANNUITY.**—Nothing in  
15 this section shall prohibit a commercial annuity  
16 (within the meaning of section 3405(e)(6)) that  
17 is issued in connection with any eligible retire-  
18 ment plan (within the meaning of section  
19 402(c)(8)(B), other than a defined benefit plan)  
20 from providing one or more of the following  
21 types of payments on or after the annuity start-  
22 ing date:

23 “(i) annuity payments that increase  
24 by a constant percentage, applied not less

1 frequently than annually, at a rate that is  
2 less than 5 percent per year,

3 “(ii) a lump sum payment that—

4 “(I) results in a shortening of the  
5 payment period with respect to an an-  
6 nuity or a full or partial commutation  
7 of the future annuity payments, pro-  
8 vided that such lump sum is deter-  
9 mined using reasonable actuarial  
10 methods and assumptions, as deter-  
11 mined in good faith by the issuer of  
12 the contract, or

13 “(II) accelerates the receipt of  
14 annuity payments that are scheduled  
15 to be received within the ensuing 12  
16 months, regardless of whether such  
17 acceleration shortens the payment pe-  
18 riod with respect to the annuity, re-  
19 duces the dollar amount of benefits to  
20 be paid under the contract, or results  
21 in a suspension of annuity payments  
22 during the period being accelerated,

23 “(iii) an amount which is in the na-  
24 ture of a dividend or similar distribution,  
25 provided that the issuer of the contract de-



1 termines such amount based on a reason-  
2 able comparison of the actuarial factors as-  
3 sumed when calculating the initial annuity  
4 payments and the issuer's experience with  
5 respect to those factors, or

6 “(iv) a final payment upon death that  
7 does not exceed the excess of the total  
8 amount of the consideration paid for the  
9 annuity payments, less the aggregate  
10 amount of prior distributions or payments  
11 from or under the contract.”.

12 (b) REGULATIONS AND ENFORCEMENT.—

13 (1) REGULATIONS.—By the date that is one  
14 year after the date of enactment of this Act, the  
15 Secretary of the Treasury shall amend the regula-  
16 tion issued by the Department of the Treasury relat-  
17 ing to “Required Distributions from Retirement  
18 Plans,” 69 Fed. Reg. 33288 (June 15, 2004), and  
19 make any corresponding amendments to other regu-  
20 lations, in order to—

21 (A) conform such regulations to subsection  
22 (a), including by eliminating the types of pay-  
23 ments described in subsection (a) from the  
24 scope of the requirement in Q&A–14(c) of  
25 Treasury Regulation section 1.401(a)(9)–6 that

1 the total future expected payments must exceed  
2 the total value being annuitized;

3 (B) amend Q&A–14(c) of Treasury Regu-  
4 lation section 1.401(a)(9)–6 to provide that a  
5 commercial annuity that provides an initial pay-  
6 ment that is at least equal to the initial pay-  
7 ment that would be required from an individual  
8 account pursuant to Treasury Regulation sec-  
9 tion 1.401(a)(9)–5 will be deemed to satisfy the  
10 requirement in Q&A–14(c) of Treasury Regula-  
11 tion section 1.401(a)(9)–6 that the total future  
12 expected payments must exceed the total value  
13 being annuitized; and

14 (C) amend Q&A–14(e)(3) of Treasury Reg-  
15 ulation section 1.401(a)(9)–6 to provide that  
16 the total future expected payments under a  
17 commercial annuity are determined using the  
18 tables or other actuarial assumptions that the  
19 issuer of the contract actually uses in pricing  
20 the premiums and benefits with respect to the  
21 contract, provided that such tables or other ac-  
22 tuarial assumptions are reasonable.

23 (2) ENFORCEMENT.—As of the date of enact-  
24 ment of this Act, the Secretary of the Treasury shall

1 administer and enforce the law in accordance with  
2 subsections (a) and (b).

3 (c) **EFFECTIVE DATE.**—This section shall take effect  
4 on the date of the enactment of this Act.

5 **SEC. 202. QUALIFYING LONGEVITY ANNUITY CONTRACTS.**

6 (a) **IN GENERAL.**—Not later than the date which is  
7 1 year after the date of the enactment of this Act, the  
8 Secretary of the Treasury or the Secretary’s delegate  
9 (hereafter in this section referred to as the “Secretary”)  
10 shall amend the regulation issued by the Department of  
11 the Treasury relating to “Longevity Annuity Contracts”  
12 (79 Fed. Reg. 37633 (July 2, 2014)), as follows:

13 (1) **REPEAL 25-PERCENT PREMIUM LIMIT.**—The  
14 Secretary shall amend Q&A–17(b)(3) of Treasury  
15 Regulation section 1.401(a)(9)–6 and Q&A–12(b)(3)  
16 of Treasury Regulation section 1.408–8 to eliminate  
17 the requirement that premiums for qualifying lon-  
18 gevity annuity contracts be limited to a percentage  
19 of an individual’s account balance, and to make such  
20 corresponding changes to the regulations and related  
21 forms as are necessary to reflect the elimination of  
22 this requirement.

23 (2) **INCREASE DOLLAR LIMITATION.**—

24 (A) **IN GENERAL.**—The Secretary shall  
25 amend Q&A–17(b)(2)(i) of Treasury Regulation

1 section 1.401(a)(9)–6 and Q&A–12(b)(2)(i) of  
2 Treasury Regulation section 1.408–8 to in-  
3 crease the dollar limitation on premiums for  
4 qualifying longevity annuity contracts from  
5 \$125,000 to \$200,000, and to make such cor-  
6 responding changes to the regulations and re-  
7 lated forms as are necessary to reflect this in-  
8 crease in the dollar limitation.

9 (B) ADJUSTMENTS FOR INFLATION.—The  
10 Secretary shall amend Q&A–17(d)(2)(i) of  
11 Treasury Regulation section 1.401(a)(9)–6 to  
12 provide that, in the case of calendar years be-  
13 ginning on or after January 1 of the second  
14 year following the year of enactment of this  
15 Act, the \$200,000 dollar limitation (as in-  
16 creased by subparagraph (A)) will be adjusted  
17 at the same time and in the same manner as  
18 the limits are adjusted under section 415(d) of  
19 the Internal Revenue Code of 1986, except that  
20 the base period shall be the calendar quarter  
21 beginning July 1 of the year of enactment of  
22 this Act, and any increase to such dollar limita-  
23 tion which is not a multiple of \$10,000 will be  
24 rounded to the next lowest multiple of \$10,000.

1           (3) FACILITATE JOINT AND SURVIVOR BENE-  
2           FITS.—The Secretary shall amend Q&A–17(c) of  
3           Treasury Regulation section 1.401(a)(9)–6, and  
4           make such corresponding changes to the regulations  
5           and related forms as are necessary, to provide that,  
6           in the case of a qualifying longevity annuity contract  
7           which was purchased with joint and survivor annuity  
8           benefits for the individual and the individual’s  
9           spouse which were permissible under the regulations  
10          at the time the contract was originally purchased, a  
11          divorce occurring after the original purchase and be-  
12          fore the annuity payments commence under the con-  
13          tract will not affect the permissibility of the joint  
14          and survivor annuity benefits or other benefits under  
15          the contract, or require any adjustment to the  
16          amount or duration of benefits payable under the  
17          contract, provided that any qualified domestic rela-  
18          tions order (within the meaning of section 414(p) of  
19          the Internal Revenue Code of 1986) or any divorce  
20          or separation instrument (as defined in subsection  
21          (b))—

22                   (A) provides that the former spouse is en-  
23                   titled to the survivor benefits under the con-  
24                   tract;

1 (B) does not modify the treatment of the  
2 former spouse as the beneficiary under the con-  
3 tract who is entitled to the survivor benefits; or

4 (C) does not modify the treatment of the  
5 former spouse as the measuring life for the sur-  
6 vivor benefits under the contract.

7 (4) PERMIT SHORT FREE LOOK PERIOD.—The  
8 Secretary shall amend Q&A–17(a)(4) of Treasury  
9 Regulation section 1.401(a)(9)–6 to ensure that  
10 such Q&A does not preclude a contract from includ-  
11 ing a provision under which an employee may re-  
12 scind the purchase of the contract within a period  
13 not exceeding 90 days from the date of purchase.

14 (b) DIVORCE OR SEPARATION INSTRUMENT.—For  
15 purposes of subsection (a)(3), the term “divorce or separa-  
16 tion instrument” means—

17 (1) a decree of divorce or separate maintenance  
18 or a written instrument incident to such a decree,

19 (2) a written separation agreement, or

20 (3) a decree (not described in paragraph (1))  
21 requiring a spouse to make payments for the sup-  
22 port or maintenance of the other spouse.

23 (c) EFFECTIVE DATES, ENFORCEMENT, AND INTER-  
24 PRETATIONS.—

25 (1) EFFECTIVE DATES.—

1 (A) Paragraphs (1) and (2) of subsection  
2 (a) shall be effective with respect to contracts  
3 purchased or received in an exchange on or  
4 after the date of the enactment of this Act.

5 (B) Paragraphs (3) and (4) of subsection  
6 (a) shall be effective with respect to contracts  
7 purchased or received in an exchange on or  
8 after July 2, 2014.

9 (2) ENFORCEMENT AND INTERPRETATIONS.—  
10 Prior to the date on which the Secretary issues final  
11 regulations pursuant to subsection (a)—

12 (A) the Secretary (or delegate) shall ad-  
13 minister and enforce the law in accordance with  
14 subsection (a) and the effective dates in para-  
15 graph (1) of this subsection; and

16 (B) taxpayers may rely upon their reason-  
17 able good faith interpretations of subsection (a).

18 **SEC. 203. INSURANCE-DEDICATED EXCHANGE-TRADED**  
19 **FUNDS.**

20 (a) IN GENERAL.—Not later than the date which is  
21 1 year after the date of the enactment of this Act, the  
22 Secretary of the Treasury (or the Secretary's delegate)  
23 shall amend the regulation issued by the Department of  
24 the Treasury relating to “Income Tax; Diversification Re-  
25 quirements for Variable Annuity, Endowment, and Life

1 Insurance Contracts”, 54 Fed. Reg. 8728 (March 2,  
2 1989), and make any necessary corresponding amend-  
3 ments to other regulations, in order to facilitate the use  
4 of exchange-traded funds as investment options under  
5 variable contracts within the meaning of section 817(d)  
6 of the Internal Revenue Code of 1986, in accordance with  
7 subsections (b) and (c) of this section.

8 (b) DESIGNATE CERTAIN AUTHORIZED PARTICI-  
9 PANTS AND MARKET MAKERS AS ELIGIBLE INVESTORS.—  
10 The Secretary of the Treasury (or the Secretary’s dele-  
11 gate) shall amend Treas. Reg. section 1.817–5(f)(3) to  
12 provide that satisfaction of the requirements in Treas.  
13 Reg. section 1.817–5(f)(2)(i) with respect to an exchange-  
14 traded fund shall not be prevented by reason of beneficial  
15 interests in such a fund being held by 1 or more author-  
16 ized participants or market makers.

17 (c) CONFIRM THAT SIMILARITIES TO OTHER FUNDS  
18 ARE IRRELEVANT.—The Secretary of the Treasury (or  
19 the Secretary’s delegate) shall amend Treas. Reg. section  
20 1.817–5(f) to confirm that, for Federal income tax pur-  
21 poses, a regulated investment company, partnership, or  
22 trust (including an exchange-traded fund) that satisfies  
23 the requirements of Treas. Reg. section 1.817–5(f) (2)  
24 and (3) shall not be treated as owned by the holder of  
25 a variable contract pursuant to the principles of Rev. Rul.



1 81–225, 1981–2 C.B. 12, merely because another regu-  
2 lated investment company, partnership, trust, or similar  
3 investment vehicle follows the same investment strategy,  
4 has the same investment manager, or holds the same in-  
5 vestments.

6 (d) DEFINE RELEVANT TERMS.—In amending  
7 Treas. Reg. section 1.817–5(f)(3) in accordance with sub-  
8 sections (b) and (c) of this section, the Secretary of the  
9 Treasury (or the Secretary’s delegate) shall provide defini-  
10 tions consistent with the following:

11 (1) EXCHANGE-TRADED FUND.—The term “ex-  
12 change-traded fund” means a regulated investment  
13 company, partnership, or trust—

14 (A) that is registered with the Securities  
15 and Exchange Commission as an open-end in-  
16 vestment company or a unit investment trust;

17 (B) the shares of which can be purchased  
18 or redeemed directly from the fund only by an  
19 authorized participant; and

20 (C) the shares of which are traded  
21 throughout the day on a national stock ex-  
22 change at market prices that may or may not  
23 be the same as the net asset value of the  
24 shares.

1           (2) AUTHORIZED PARTICIPANT.—The term  
2           “authorized participant” means a financial institu-  
3           tion that is a member or participant of a clearing  
4           agency registered under section 17A(b) of the Secu-  
5           rities Exchange Act of 1934 that enters into a con-  
6           tractual relationship with an exchange-traded fund  
7           pursuant to which the financial institution is per-  
8           mitted to purchase and redeem shares directly from  
9           the fund and to sell such shares to third parties, but  
10          only if the contractual arrangement or applicable law  
11          precludes the financial institution from—

12                   (A) purchasing the shares for its own in-  
13                   vestment purposes rather than for the exclusive  
14                   purpose of creating and redeeming such shares  
15                   on behalf of third parties; and

16                   (B) selling the shares to third parties who  
17                   are not market makers or otherwise described  
18                   in Treas. Reg. section 1.817-5(f) (1) and (3).

19          (3) MARKET MAKER.—The term “market  
20          maker” means a financial institution that is a reg-  
21          istered broker or dealer under section 15(b) of the  
22          Securities Exchange Act of 1934 that maintains li-  
23          quidity for an exchange-traded fund on a national  
24          stock exchange by being always ready to buy and sell  
25          shares of such fund on the market, but only if the

1 financial institution is contractually or legally pre-  
2 cluded from selling or buying such shares to or from  
3 persons who are not authorized participants or oth-  
4 erwise described in Treas. Reg. section 1.817-5(f)  
5 (2) and (3).

6 (e) EFFECTIVE DATES, ENFORCEMENT, AND INTER-  
7 PRETATIONS.—

8 (1) EFFECTIVE DATES.—

9 (A) SUBSECTION (b).—Subsection (b), and  
10 the definitions under subsection (d), shall apply  
11 to segregated asset account investments made  
12 on or after the earlier of—

13 (i) the date that is 18 months after  
14 the date of the of enactment of this Act,  
15 or

16 (ii) the date on which the amend-  
17 ments to regulations under subsection (b)  
18 are made.

19 (B) SUBSECTION (c).—Subsection (c) shall  
20 apply to taxable years beginning after the date  
21 of the enactment of this Act.

22 (2) ENFORCEMENT AND INTERPRETATIONS.—  
23 Prior to the date that the Secretary of the Treasury  
24 (or the Secretary's delegate) issues final regulations  
25 pursuant to this section—

1 (A) the Secretary (or delegate) shall ad-  
2 minister and enforce the law in accordance with  
3 this section and the effective dates under para-  
4 graph (1), and

5 (B) taxpayers may rely upon their reason-  
6 able good faith interpretations of the preceding  
7 subsections of this section.

8 (3) NO INFERENCE.—Nothing contained in the  
9 amendments to regulations pursuant to subsection  
10 (c), or the administration and enforcement of such  
11 subsection under paragraph (2), shall be construed  
12 to create any inference as to a change in law or  
13 guidance in effect prior to enactment of this section.

14 **TITLE III—SIMPLIFICATION AND**  
15 **CLARIFICATION OF RETIRE-**  
16 **MENT PLAN RULES**

17 **SEC. 301. RECOVERY OF RETIREMENT PLAN OVERPAY-**  
18 **MENTS.**

19 (a) OVERPAYMENTS UNDER INTERNAL REVENUE  
20 CODE OF 1986.—

21 (1) QUALIFICATION REQUIREMENTS.—Section  
22 414 of the Internal Revenue Code of 1986, as  
23 amended by the preceding provisions of this Act, is  
24 further amended by adding at the end the following  
25 new subsection:

1       “(bb) SPECIAL RULES APPLICABLE TO BENEFIT  
2 OVERPAYMENTS.—

3           “(1) IN GENERAL.—A plan shall not fail to be  
4 treated as described in clause (i), (ii), (iii), or (iv)  
5 of section 219(g)(5)(A) (and shall not fail to be  
6 treated as satisfying the requirements of section  
7 401(a) or 403) merely because—

8           “(A) the plan fails to obtain payment from  
9 any participant, beneficiary, employer, plan  
10 sponsor, fiduciary, or other party on account of  
11 any inadvertent benefit overpayment made by  
12 the plan, or

13           “(B) the plan sponsor amends the plan to  
14 increase past or future benefit payments to af-  
15 fected participants and beneficiaries in order to  
16 adjust for prior inadvertent benefit overpay-  
17 ments.

18           “(2) REDUCTION IN FUTURE BENEFIT PAY-  
19 MENTS AND RECOVERY FROM RESPONSIBLE  
20 PARTY.—Paragraph (1) shall not fail to apply to a  
21 plan merely because, after discovering a benefit over-  
22 payment, such plan—

23           “(A) reduces future benefit payments to  
24 the correct amount provided for under the  
25 terms of the plan, or

1           “(B) seeks recovery from the person or  
2           persons responsible for such overpayment.

3           “(3) EMPLOYER FUNDING OBLIGATIONS.—  
4           Nothing in this subsection shall relieve an employer  
5           of any obligation imposed on it to make contribu-  
6           tions to a plan to meet the minimum funding stand-  
7           ards under section 412 or to prevent or restore an  
8           impermissible forfeiture in accordance with section  
9           411.

10          “(4) OBSERVANCE OF BENEFIT LIMITATIONS.—  
11          Notwithstanding paragraph (1), a plan to which  
12          paragraph (1) applies shall observe any limitations  
13          imposed on it by section 401(a)(17) or 415. The  
14          plan may enforce such limitations using any method  
15          approved by the Secretary for recouping benefits  
16          previously paid or allocations previously made in ex-  
17          cess of such limitations.

18          “(5) COORDINATION WITH OTHER QUALIFICA-  
19          TION REQUIREMENTS.—The Secretary may issue  
20          regulations or other guidance of general applicability  
21          specifying how benefit overpayments and their  
22          recoupment or non-recoupment from a participant or  
23          beneficiary shall be taken into account for purposes  
24          of satisfying any requirement applicable to a plan to  
25          which paragraph (1) applies.”.

1           (2) ROLLOVERS.—Section 402(c) of such Code  
2 is amended by adding at the end the following new  
3 paragraph:

4           “(13) In the case of an inadvertent benefit  
5 overpayment from a plan to which section  
6 414(bb)(1) applies which is transferred to an eligible  
7 retirement plan by or on behalf of a participant or  
8 beneficiary—

9           “(A) the portion of such overpayment with  
10 respect to which recoupment is not sought on  
11 behalf of the plan shall be treated as having  
12 been paid in an eligible rollover distribution if  
13 the payment would have been an eligible roll-  
14 over distribution but for being an overpayment,  
15 and

16           “(B) the portion of such overpayment with  
17 respect to which recoupment is sought on behalf  
18 of the plan shall be permitted to be returned to  
19 such plan and in such case shall be treated as  
20 an eligible rollover distribution transferred to  
21 such plan by the participant or beneficiary who  
22 received such overpayment (and the plans mak-  
23 ing and receiving such transfer shall be treated  
24 as permitting such transfer).

1 In any case in which recoupment is sought on behalf  
2 of the plan but is disputed by the participant or ben-  
3 efiiciary who received such overpayment, such dispute  
4 shall be subject to the claims and appeals procedures  
5 of the plan that made such overpayment, such plan  
6 shall notify the plan receiving the rollover of such  
7 dispute, and the plan receiving the rollover shall re-  
8 tain such overpayment on behalf of the participant  
9 or beneficiary (and shall be entitled to treat such  
10 overpayment as plan assets) pending the outcome of  
11 such procedures.”.

12 (b) OVERPAYMENTS UNDER ERISA.—Section 206 of  
13 the Employee Retirement Income Security Act of 1974  
14 (29 U.S.C. 1056) is amended by adding at the end the  
15 following new subsection:

16 “(h) SPECIAL RULES APPLICABLE TO BENEFIT  
17 OVERPAYMENTS.—

18 “(1) GENERAL RULE.—In the case of an inad-  
19 vertent benefit overpayment by any pension plan, the  
20 responsible plan fiduciary shall not be considered to  
21 have failed to comply with the requirements of this  
22 title merely because such fiduciary determines, in  
23 the exercise of its fiduciary discretion, not to seek  
24 recovery of all or part of such overpayment from—

25 “(A) any participant or beneficiary,



1           “(B) any plan sponsor of, or contributing  
2 employer to—

3                   “(i) an individual account plan, pro-  
4 vided that the amount needed to prevent or  
5 restore any impermissible forfeiture from  
6 any participant’s or beneficiary’s account  
7 arising in connection with the overpayment  
8 is, separately from and independently of  
9 the overpayment, allocated to such account  
10 pursuant to the nonforfeitability require-  
11 ments of section 203 (for example, out of  
12 the plan’s forfeiture account, additional  
13 employer contributions, or recoveries from  
14 those responsible for the overpayment), or

15                   “(ii) a defined benefit pension plan  
16 subject to the funding rules in part 3 of  
17 this subtitle B, unless the responsible plan  
18 fiduciary determines, in the exercise of its  
19 fiduciary discretion, that failure to recover  
20 all or part of the overpayment faster than  
21 required under such funding rules would  
22 materially affect the plan’s ability to pay  
23 benefits due to other participants and  
24 beneficiaries, or

1           “(C) any fiduciary of the plan, other than  
2           a fiduciary (including a plan sponsor or contrib-  
3           uting employer acting in a fiduciary capacity)  
4           whose breach of its fiduciary duties resulted in  
5           such overpayment, provided that if the plan has  
6           established prudent procedures to prevent and  
7           minimize overpayment of benefits and the rel-  
8           evant plan fiduciaries have followed such proce-  
9           dures, an inadvertent benefit overpayment will  
10          not give rise to a breach of fiduciary duty.

11          “(2) REDUCTION IN FUTURE BENEFIT PAY-  
12          MENTS AND RECOVERY FROM RESPONSIBLE  
13          PARTY.—Paragraph (1) shall not fail to apply with  
14          respect to any inadvertent benefit overpayment  
15          merely because, after discovering such overpayment,  
16          the responsible plan fiduciary—

17                 “(A) reduces future benefit payments to  
18                 the correct amount provided for under the  
19                 terms of the plan, or

20                 “(B) seeks recovery from the person or  
21                 persons responsible for the overpayment.

22          “(3) EMPLOYER FUNDING OBLIGATIONS.—  
23          Nothing in this subsection shall relieve an employer  
24          of any obligation imposed on it to make contribu-  
25          tions to a plan to meet the minimum funding stand-

1       ards under part 3 of this subtitle B or to prevent  
2       or restore an impermissible forfeiture in accordance  
3       with section 203.

4               “(4) RECOUPMENT FROM PARTICIPANTS AND  
5       BENEFICIARIES.—If the responsible plan fiduciary,  
6       in the exercise of its fiduciary discretion, decides to  
7       seek recoupment from a participant or beneficiary of  
8       all or part of an inadvertent benefit overpayment  
9       made by the plan to such participant or beneficiary,  
10      it may do so, subject to the following conditions:

11              “(A) No interest or other additional  
12              amounts (such as collection costs or fees) are  
13              sought on overpaid amounts.

14              “(B) If the plan seeks to recoup past over-  
15              payments of a non-decreasing periodic benefit  
16              by reducing future benefit payments—

17                      “(i) the reduction ceases after the  
18                      plan has recovered the full dollar amount  
19                      of the overpayment,

20                      “(ii) the amount recouped each cal-  
21                      endar year does not exceed 10 percent of  
22                      the full dollar amount of the overpayment,  
23                      and

24                      “(iii) future benefit payments are not  
25                      reduced to below 90 percent of the periodic

1 amount otherwise payable under the terms  
2 of the plan.

3 Alternatively, if the plan seeks to recoup past  
4 overpayments of a non-decreasing periodic ben-  
5 efit through one or more installment payments,  
6 the sum of such installment payments in any  
7 calendar year does not exceed the sum of the  
8 reductions that would be permitted in such year  
9 under the preceding sentence.

10 “(C) If the plan seeks to recoup past over-  
11 payments of a benefit other than a non-decreas-  
12 ing periodic benefit, the plan satisfies require-  
13 ments developed by the Secretary of the Treas-  
14 ury for purposes of this subparagraph.

15 “(D) Efforts to recoup overpayments are  
16 not made through a collection agency or similar  
17 third party and such efforts are not accom-  
18 panied by threats of litigation, unless the re-  
19 sponsible plan fiduciary reasonably believes it  
20 could prevail in a civil action brought in Fed-  
21 eral or State court to recoup the overpayments.

22 “(E) Recoupment of past overpayments to  
23 a participant is not sought from any beneficiary  
24 of the participant, including a spouse, surviving  
25 spouse, former spouse, or other beneficiary.

1           “(F) Recoupment may not be sought if the  
2           first overpayment occurred more than 3 years  
3           before the participant or beneficiary is first no-  
4           tified in writing of the error.

5           “(G) A participant or beneficiary from  
6           whom recoupment is sought is entitled to con-  
7           test all or part of the recoupment pursuant to  
8           the plan’s claims and appeals procedures.

9           “(H) In determining the amount of  
10          recoupment to seek, the responsible plan fidu-  
11          ciary may take into account the hardship that  
12          recoupment likely would impose on the partici-  
13          pant or beneficiary.

14          “(5) EFFECT OF CULPABILITY.—Subpara-  
15          graphs (A) through (F) of paragraph (4) shall not  
16          apply to protect a participant or beneficiary who is  
17          culpable. For purposes of this paragraph, a partici-  
18          pant or beneficiary is culpable if the individual bears  
19          responsibility for the overpayment (such as through  
20          misrepresentations or omissions that led to the over-  
21          payment), or if the individual knew, or had good  
22          reason to know under the circumstances, that the  
23          benefit payment or payments were materially in ex-  
24          cess of the correct amount. Notwithstanding the pre-  
25          ceding sentence, an individual is not culpable merely

1       because the individual believed the benefit payment  
2       or payments were or might be in excess of the cor-  
3       rect amount, if the individual raised that question  
4       with an authorized plan representative and was told  
5       the payment or payments were not in excess of the  
6       correct amount. With respect to a culpable partici-  
7       pant or beneficiary, efforts to recoup overpayments  
8       shall not be made through threats of litigation, un-  
9       less a lawyer for the plan could make the representa-  
10      tions required under Rule 11 of the Federal Rules  
11      of Civil Procedure if the litigation were brought in  
12      Federal court.”.

13      (c) EFFECTIVE DATE.—The amendments made by  
14      this section shall apply as of the date of the enactment  
15      of this Act.

16      (d) CERTAIN ACTIONS BEFORE DATE OF ENACT-  
17      MENT.—Plans, fiduciaries, employers, and plan sponsors  
18      are entitled to rely on—

19              (1) a good faith interpretation of then existing  
20              administrative guidance for inadvertent benefit over-  
21              payment recoupments and recoveries that com-  
22              menced before the date of enactment of this Act,  
23              and

24              (2) determinations made before such date of en-  
25              actment by the responsible plan fiduciary, in the ex-

1        exercise of its fiduciary discretion, not to seek  
2        recoupment or recovery of all or part of an inad-  
3        vertent benefit overpayment.

4 In the case of a benefit overpayment that occurred prior  
5 to the date of enactment of this Act, any installment pay-  
6 ments by the participant or beneficiary to the plan or any  
7 reduction in periodic benefit payments to the participant  
8 or beneficiary, which were made in recoupment of such  
9 overpayment and which commenced prior to such date,  
10 may continue after such date. Nothing in this subsection  
11 shall relieve a fiduciary from responsibility for an overpay-  
12 ment that resulted from a breach of its fiduciary duties.

13 **SEC. 302. REDUCTION IN EXCISE TAX ON CERTAIN ACCU-**  
14                    **MULATIONS IN QUALIFIED RETIREMENT**  
15                    **PLANS.**

16        (a) IN GENERAL.—Subsection (a) of section 4974 of  
17 the Internal Revenue Code of 1986 is amended by striking  
18 “50 percent” and inserting “25 percent”.

19        (b) REDUCTION IN EXCISE TAX ON FAILURES TO  
20 TAKE REQUIRED MINIMUM DISTRIBUTIONS.—Section  
21 4974 of such Code is amended by adding at the end the  
22 following new subsection:

23        “(e) REDUCTION OF TAX IN CERTAIN CASES.—

24                    “(1) REDUCTION.—In the case of a taxpayer  
25        who—

1           “(A) corrects, during the correction win-  
2           dow, a shortfall of distributions from an indi-  
3           vidual retirement plan which resulted in imposi-  
4           tion of a tax under subsection (a), and

5           “(B) submits a return, during the correc-  
6           tion window, reflecting such tax (as modified by  
7           this subsection),

8           the first sentence of subsection (a) shall be applied  
9           by substituting ‘10 percent’ for ‘25 percent’.

10          “(2) CORRECTION WINDOW.—For purposes of  
11          this subsection, the term ‘correction window’ means  
12          the period of time beginning on the date on which  
13          the tax under subsection (a) is imposed with respect  
14          to a shortfall of distributions from an individual re-  
15          tirement plan, and ending on the earlier of—

16                 “(A) the date on which the Secretary initi-  
17                 ates an audit, or otherwise demands payment,  
18                 with respect to the shortfall of distributions, or

19                 “(B) the last day of the second taxable  
20                 year that begins after the end of the taxable  
21                 year in which the tax under subsection (a) is  
22                 imposed.”.

23          (c) EFFECTIVE DATE.—The amendments made by  
24          this section shall apply to taxable years beginning after  
25          December 31, 2020.



1 **SEC. 303. PERFORMANCE BENCHMARKS FOR ASSET ALLO-**  
2 **CATION FUNDS.**

3 (a) IN GENERAL.—Not later than 6 months after the  
4 date of the enactment of this Act, the Secretary of Labor  
5 (or the Secretary’s delegate) shall modify the regulations  
6 under section 404 of the Employee Retirement Income Se-  
7 curity Act of 1974 (29 U.S.C. 1104) to provide that, in  
8 the case of a designated investment alternative which con-  
9 tains a mix of asset classes, a plan administrator may,  
10 but is not required to, use a benchmark which is a blend  
11 of different broad-based securities market indices if—

12 (1) the blend is reasonably representative of the  
13 asset class holdings of the designated investment al-  
14 ternative;

15 (2) for purposes of determining the blend’s re-  
16 turns for 1-, 5-, and 10-calendar-year periods (or for  
17 the life of the alternative, if shorter), the blend is  
18 modified at least once per year to reflect changes in  
19 the asset class holdings of the designated investment  
20 alternative;

21 (3) the blend is furnished to participants and  
22 beneficiaries in a manner that is reasonably designed  
23 to be understandable and helpful; and

24 (4) each securities market index which is used  
25 for an associated asset class would separately satisfy

1 the requirements of such regulations for such asset  
2 class.

3 (b) STUDY.—Not later than December 31, 2021, the  
4 Secretary of Labor (or the Secretary’s delegate) shall de-  
5 liver a report to the Committees on Ways and Means and  
6 Education and Labor of the House of Representatives and  
7 the Committees on Finance and Health, Education,  
8 Labor, and Pensions of the Senate regarding the effective-  
9 ness of the benchmarking requirements under section  
10 2550.404a–5 of title 29, Code of Federal Regulations.

11 **SEC. 304. REVIEW AND REPORT TO THE CONGRESS RELAT-**  
12 **ING TO REPORTING AND DISCLOSURE RE-**  
13 **QUIREMENTS.**

14 (a) STUDY.—As soon as practicable after the date of  
15 the enactment of this Act, the Secretary of Labor, the Sec-  
16 retary of the Treasury, and the Pension Benefit Guaranty  
17 Corporation shall review the reporting and disclosure re-  
18 quirements of—

19 (1) title I of the Employee Retirement Income  
20 Security Act of 1974 applicable to pension plans (as  
21 defined in section 3(2) of such Act); and

22 (2) the Internal Revenue Code of 1986 applica-  
23 ble to qualified retirement plans (as defined in sec-  
24 tion 4974(c) of such Code without regard to para-  
25 graphs (4) and (5) thereof).

1 (b) REPORT.—Not later than 18 months after the  
2 date of the enactment of this Act, the Secretary of Labor,  
3 the Secretary of the Treasury, and the Pension Benefit  
4 Guaranty Corporation, jointly, and after consultation with  
5 a balanced group of participant and employer representa-  
6 tives, shall with respect to plans referenced in subsection  
7 (a) report on the effectiveness of the applicable reporting  
8 and disclosure requirements and make such recommenda-  
9 tions as may be appropriate to the appropriate committees  
10 of the Congress to consolidate, simplify, standardize, and  
11 improve such requirements so as to simplify reporting for  
12 such plans and ensure that plans can simply furnish and  
13 participants and beneficiaries timely receive and better un-  
14 derstand the information they need to monitor their plans,  
15 plan for retirement, and obtain the benefits they have  
16 earned. Such report shall assess the extent to which retire-  
17 ment plans are retaining disclosures, work records, and  
18 plan documents that are needed to ensure accurate cal-  
19 culation of future benefits. To assess the effectiveness of  
20 the applicable reporting and disclosure requirements, the  
21 report shall include an analysis, based on plan data, of  
22 how participants and beneficiaries are providing preferred  
23 contact information, the methods by which plan sponsors  
24 and plans are furnishing disclosures, and the rate at which  
25 participants and beneficiaries (grouped by key demo-

1 graphics) are receiving, accessing, and retaining dislo-  
2 sures. The agencies shall conduct appropriate surveys and  
3 data collection to obtain any needed information.

4 **SEC. 305. ELIMINATING UNNECESSARY PLAN REQUIRE-**  
5 **MENTS RELATED TO UNENROLLED PARTICI-**  
6 **PANTS.**

7 (a) AMENDMENT OF INTERNAL REVENUE CODE OF  
8 1986.—Section 414 of the Internal Revenue Code of  
9 1986, as amended by the preceding provisions of this Act,  
10 is further amended by adding at the end the following new  
11 subsection:

12 “(cc) ELIMINATING UNNECESSARY PLAN REQUIRE-  
13 MENTS RELATED TO UNENROLLED PARTICIPANTS.—

14 “(1) IN GENERAL.—Notwithstanding any other  
15 provision of this title, with respect to any defined  
16 contribution plan, no disclosure, notice, or other plan  
17 document (other than the notices and documents de-  
18 scribed in subparagraphs (A) and (B)) shall be re-  
19 quired to be furnished under this title to any  
20 unenrolled participant if the unenrolled participant  
21 receives—

22 “(A) in connection with the annual open  
23 season election period with respect to the plan  
24 or, if there is no such period, within a reason-  
25 able period prior to the beginning of each plan

1 year, an annual reminder notice (in paper for-  
2 mat, or in any electronic format consented to by  
3 the participant) of such participant's eligibility  
4 to participate in such plan and any applicable  
5 election deadlines under the plan, and

6 “(B) any document requested by such par-  
7 ticipant which the participant would be entitled  
8 to receive without regard to this subsection.

9 “(2) UNENROLLED PARTICIPANT.—For pur-  
10 poses of this subsection, the term ‘unenrolled partici-  
11 pant’ means an employee who—

12 “(A) is eligible to participate in a defined  
13 contribution plan,

14 “(B) has been furnished all required no-  
15 tices, disclosures, and other plan documents re-  
16 quired to be furnished under this title and the  
17 summary plan description as provided in section  
18 104(b) of the Employee Retirement Income Se-  
19 curity Act of 1974 in connection with such par-  
20 ticipant's initial eligibility to participate in such  
21 plan,

22 “(C) is not participating in such plan, and

23 “(D) does not have a balance in the plan.

24 For purposes of this subsection, any eligibility to  
25 participate in the plan following any period for

1       which such employee was not eligible to participate  
2       shall be treated as initial eligibility.

3               “(3) ANNUAL REMINDER NOTICE.—For pur-  
4       poses of this subsection, the term ‘annual reminder  
5       notice’ means the notice described in section 111(c)  
6       of the Employee Retirement Income Security Act of  
7       1974.”.

8       (b) AMENDMENT OF EMPLOYEE RETIREMENT IN-  
9       COME SECURITY ACT OF 1974.—

10              (1) IN GENERAL.—Part 1 of subtitle B of sub-  
11       chapter I of the Employee Retirement Income Secu-  
12       rity Act of 1974 is amended by redesignating section  
13       111 as section 112 and by inserting after section  
14       110 the following new section:

15       **“SEC. 111. ELIMINATING UNNECESSARY PLAN REQUIRE-**  
16                      **MENTS RELATED TO UNENROLLED PARTICI-**  
17                      **PANTS.**

18              “(a) IN GENERAL.—Notwithstanding any other pro-  
19       vision of this title, with respect to any individual account  
20       plan, no disclosure, notice, or other plan document (other  
21       than the notices and documents described in paragraphs  
22       (1) and (2)) shall be required to be furnished under this  
23       title to any unenrolled participant if the unenrolled partici-  
24       pant receives—

1           “(1) in connection with the annual open season  
2           election period with respect to the plan or, if there  
3           is no such period, within a reasonable period prior  
4           to the beginning of each plan year, an annual re-  
5           minder notice of such participant’s eligibility to par-  
6           ticipate in such plan and any applicable election  
7           deadlines under the plan; and

8           “(2) any document requested by such partici-  
9           pant which the participant would be entitled to re-  
10          ceive without regard to this section.

11          “(b) UNENROLLED PARTICIPANT.—For purposes of  
12          this section, the term ‘unenrolled participant’ means an  
13          employee who—

14               “(1) is eligible to participate in an individual  
15               account plan;

16               “(2) has received all required notices, disclo-  
17               sures, and other plan documents, including the sum-  
18               mary plan description, required to be furnished  
19               under this title in connection with such participant’s  
20               initial eligibility to participate in such plan;

21               “(3) is not participating in such plan; and

22               “(4) does not have a balance in the plan.

23          For purposes of this section, any eligibility to participate  
24          in the plan following any period for which such employee

1 was not eligible to participate shall be treated as initial  
2 eligibility.

3 “(c) ANNUAL REMINDER NOTICE.—For purposes of  
4 this section, the term ‘annual reminder notice’ means a  
5 notice provided in accordance with section 2520.104b–1  
6 of title 29, Code of Federal Regulations (or any successor  
7 regulation), which—

8 “(1) is furnished in connection with the annual  
9 open season election period with respect to the plan  
10 or, if there is no such period, is furnished within a  
11 reasonable period prior to the beginning of each plan  
12 year;

13 “(2) notifies the unenrolled participant of—

14 “(A) the unenrolled participant’s eligibility  
15 to participate in the plan; and

16 “(B) the key benefits under the plan and  
17 the key rights and features under the plan af-  
18 fecting such benefits; and

19 “(3) provides such information in a prominent  
20 manner calculated to be understood by the average  
21 participant.”.

22 (2) CLERICAL AMENDMENT.—The table of con-  
23 tents in section 1 of the Employee Retirement In-  
24 come Security Act of 1974 is amended by striking  
25 the item relating to section 111 and by inserting



1 after the item relating to section 110 the following  
2 new items:

“Sec. 111. Eliminating unnecessary plan requirements related to unenrolled participants.

“Sec. 112. Repeal and effective date.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to plan years beginning after De-  
5 cember 31, 2020.

6 **SEC. 306. RETIREMENT SAVINGS LOST AND FOUND.**

7 (a) **RETIREMENT SAVINGS LOST AND FOUND.**—

8 (1) **ESTABLISHMENT.**—

9 (A) **IN GENERAL.**—Not later than 2 years  
10 after the date of the enactment of this Act, the  
11 Secretary of Labor, the Secretary of the Treas-  
12 ury, and the Secretary of Commerce, in co-  
13 operation, shall establish an Office of the Re-  
14 tirement Savings Lost and Found, which shall  
15 develop and maintain an online searchable data-  
16 base (to be managed by the Pension Benefit  
17 Guaranty Corporation) of unclaimed vested  
18 benefits of participants and beneficiaries in  
19 plans—

20 (i) to allow an individual to search for  
21 information that enables the individual to  
22 locate the plan administrator of any plans  
23 with respect to which the individual is a  
24 participant or beneficiary, and to provide

1 contact information for the plan adminis-  
2 trator of any plan described in subpara-  
3 graph (B) with respect to which the indi-  
4 vidual may be entitled to a benefit;

5 (ii) to allow the corporation to assist  
6 such an individual in locating any plan of  
7 the individual; and

8 (iii) to allow the corporation to make  
9 any necessary changes to contact informa-  
10 tion on record for the plan administrator  
11 based on any changes to the plan due to  
12 merger or consolidation of the plan with  
13 any other plan, division of the plan into  
14 two or more plans, bankruptcy, termi-  
15 nation, change in name of the plan, change  
16 in name or address of the plan adminis-  
17 trator, or other causes.

18 The Retirement Savings Lost and Found estab-  
19 lished under this paragraph shall contain the  
20 information obtained by the corporation from  
21 the Internal Revenue Service regarding deferred  
22 vested benefits of separated participants and  
23 beneficiaries in plans as reported under section  
24 6057(d) of the Internal Revenue Code of 1986,  
25 as amended by this subsection, and the infor-

1 mation on missing participants collected as part  
2 of the corporation's Missing Participant Pro-  
3 gram established under section 4050 of the  
4 Employee Retirement Income Security Act of  
5 1974.

6 (B) PLANS DESCRIBED.—A plan described  
7 in this subparagraph is a plan to which the  
8 vesting standards of section 203 of part 2 of  
9 subtitle B of title I of the Employee Retirement  
10 Income Security Act of 1974 apply.

11 (2) ADMINISTRATION.—The Retirement Sav-  
12 ings Lost and Found established under paragraph  
13 (1) shall provide individuals described in paragraph  
14 (1)(A) only with the ability to view contact informa-  
15 tion for the plan administrator of any plan with re-  
16 spect to which the individual is a participant or ben-  
17 eficiary, sufficient to allow the individual to locate  
18 the individual's plan in order to recover any benefit  
19 owing to the individual under the plan.

20 (3) CURRENT INFORMATION.—

21 (A) IN GENERAL.—Paragraph (2) of sec-  
22 tion 6057(a) of the Internal Revenue Code of  
23 1986 is amended—

24 (i) in subparagraph (C)—

1 (I) by striking “during such plan  
2 year” in clause (i) and inserting “dur-  
3 ing the plan year immediately pre-  
4 ceding such plan year”;

5 (II) by adding “and” at the end  
6 of clause (i); and

7 (III) by striking clause (iii);

8 (ii) by redesignating subparagraph  
9 (E) as subparagraph (G);

10 (iii) by striking “and” at the end of  
11 subparagraph (D); and

12 (iv) by inserting after subparagraph  
13 (D) the following new subparagraphs:

14 “(E) the name and taxpayer identifying  
15 number of each participant or former partici-  
16 pant in the plan—

17 “(i) who, during any previous plan  
18 year, was reported under subparagraph  
19 (C), and with respect to whom the benefits  
20 described in subparagraph (C)(ii) were  
21 fully paid during the plan year,

22 “(ii) with respect to whom any  
23 amount was distributed under section  
24 401(a)(31)(B) during the plan year, or

1 “(iii) with respect to whom a deferred  
2 annuity contract was distributed during  
3 the plan year,

4 “(F) in the case of a participant or former  
5 participant to whom subparagraph (E) ap-  
6 plies—

7 “(i) in the case of a participant de-  
8 scribed in clause (ii) thereof, the name and  
9 address of the designated trustee or issuer  
10 described in section 401(a)(31)(B)(i) and  
11 the account number of the individual re-  
12 tirement plan to which the amount was  
13 distributed, and

14 “(ii) in the case of a participant de-  
15 scribed in clause (iii) thereof, the name  
16 and address of the issuer of such annuity  
17 contract and the contract or certificate  
18 number, and”.

19 (B) RULES RELATING TO DIRECT TRUST-  
20 EE-TO-TRUSTEE TRANSFERS.—

21 (i) IN GENERAL.—Paragraph (6) of  
22 section 402(e) of such Code is amended—

23 (I) by striking “TRANSFERS.—  
24 Any” and inserting “TRANSFERS.—

25 “(A) IN GENERAL.—Any”; and

1 (II) by adding at the end the fol-  
2 lowing new subparagraph:

3 “(B) NOTIFICATION OF TRUSTEE.—In the  
4 case of a distribution under section  
5 401(a)(31)(B), the plan administrator shall no-  
6 tify the designated trustee or issuer described  
7 in clause (i) thereof that the transfer is a man-  
8 datory distribution required by such section.”.

9 (ii) PENALTY.—Subsection (i) of sec-  
10 tion 6652 of such Code is amended—

11 (I) by striking “TO RECIPIENTS”  
12 in the heading and inserting “OR NO-  
13 TIFICATION”;

14 (II) by striking “402(f),” and in-  
15 serting “402(f) or a notification as re-  
16 quired by section 402(e)(6)(B),”; and

17 (III) by striking “such written  
18 explanation” and inserting “such writ-  
19 ten explanation or notification”.

20 (iii) REPORTS.—Subsection (i) of sec-  
21 tion 408 of such Code is amended—

22 (I) by redesignating subpara-  
23 graphs (A) and (B) of paragraph (2)  
24 as clauses (i) and (ii), respectively,

1 and by moving such clauses 2 ems to  
2 the right;

3 (II) by redesignating paragraphs  
4 (1) and (2) as subparagraphs (A) and  
5 (B), respectively, and by moving such  
6 subparagraphs 2 ems to the right;

7 (III) by striking “as the Sec-  
8 retary prescribes” in subparagraph  
9 (B)(ii), as so redesignated, and all  
10 that follows through “a simple retire-  
11 ment account” and inserting “as the  
12 Secretary prescribes.

13 “(3) SIMPLE RETIREMENT ACCOUNTS.—In the  
14 case of a simple retirement account”;

15 (IV) by striking “REPORTS.—  
16 The trustee of” and inserting “RE-  
17 PORTS.—

18 “(1) IN GENERAL.—The trustee of”;

19 (V) by striking “under paragraph  
20 (2)” in paragraph (3), as redesignated  
21 by clause (iii), and inserting “under  
22 paragraph (1)(B)”;

23 (VI) by inserting after paragraph  
24 (1)(B)(ii), as redesignated by the pre-

1 ceding clauses, the following new  
2 paragraph:

3 “(2) MANDATORY DISTRIBUTIONS.—In the case  
4 of an account, contract, or annuity to which a trans-  
5 fer under section 401(a)(31)(B) is made (including  
6 a transfer from the individual retirement plan to  
7 which the original transfer under such section was  
8 made to another individual retirement plan), the re-  
9 port required by this subsection for the year of the  
10 transfer shall—

11 “(A) identify such transfer as a mandatory  
12 distribution required by such section,

13 “(B) include the name, address, and tax-  
14 payer identifying number of the trustee or  
15 issuer of the individual retirement plan to which  
16 the amount is transferred, and

17 “(C) be filed with the Pension Benefit  
18 Guaranty Corporation as well as with the Sec-  
19 retary.”.

20 (C) NOTIFICATION OF PARTICIPANTS UPON  
21 SEPARATION.—Subsection (e) of section 6057  
22 of such Code is amended by inserting “, and a  
23 notice of the availability of, and the contact in-  
24 formation for, the Retirement Savings Lost and  
25 Found established under section 306(a)(1) of



1 the Securing a Strong Retirement Act of 2020”  
2 before the period at the end of the second sen-  
3 tence.

4 (D) EFFECTIVE DATE.—The amendments  
5 made by this paragraph shall apply to distribu-  
6 tions made in, and returns and reports relating  
7 to, years beginning after the second December  
8 31 occurring after the date of the enactment of  
9 this Act.

10 (4) COORDINATION WITH DISTRIBUTION RE-  
11 QUIREMENTS, FIDUCIARY DUTIES, ETC.—

12 (A) AMENDMENT OF INTERNAL REVENUE  
13 CODE OF 1986.—Paragraph (9) of section  
14 401(a) of the Internal Revenue Code of 1986,  
15 as amended by the preceding provisions of this  
16 Act, is further amended by adding at the end  
17 the following new subparagraph:

18 “(K) COORDINATION WITH RETIREMENT  
19 SAVINGS LOST AND FOUND.—

20 “(i) IN GENERAL.—With respect to  
21 any lost or missing participant of a plan,  
22 the plan shall not be treated as failing to  
23 satisfy the requirements of this paragraph  
24 or any other requirement of this title which

1 cannot be satisfied due to the plan’s inabil-  
2 ity to locate the participant.

3 “(ii) LOST OR MISSING PARTICI-  
4 PANT.—For purposes of subclause (i), the  
5 term ‘lost or missing participant’ shall be  
6 defined in guidance to be issued jointly by  
7 the Internal Revenue Service, Department  
8 of the Treasury, the Employee Benefits  
9 Security Administration, Department of  
10 Labor, and the Pension Benefit Guaranty  
11 Corporation. Such guidance shall be so  
12 issued not later than 1 year after the date  
13 of the enactment of this subparagraph.”.

14 (B) AMENDMENT OF EMPLOYEE RETIRE-  
15 MENT INCOME SECURITY ACT OF 1974.—

16 (i) IN GENERAL.—Section 404 of the  
17 Employee Retirement Income Security Act  
18 of 1974 (29 U.S.C. 1104) is amended by  
19 adding at the end the following new sub-  
20 section:

21 “(e) COORDINATION WITH RETIREMENT SAVINGS  
22 LOST AND FOUND.—

23 “(1) IN GENERAL.—With respect to any lost or  
24 missing participant of a plan, a fiduciary of the plan  
25 shall not be treated as failing to satisfy any require-

1       ment to search for or attempt to locate, or to pro-  
2       vide any document or information to, such indi-  
3       vidual, or any other requirement of this title which  
4       cannot be satisfied due to the plan’s inability to lo-  
5       cate the participant.

6               “(2) LOST OR MISSING PARTICIPANT.—For  
7       purposes of paragraph (1), the term ‘lost or missing  
8       participant’ shall be defined in guidance to be issued  
9       jointly by the Internal Revenue Service, Department  
10      of the Treasury, the Employee Benefits Security Ad-  
11      ministration, Department of Labor, and the Pension  
12      Benefit Guaranty Corporation.”.

13              (ii) CONFORMING AMENDMENTS.—  
14              Section 4050(a)(1) of the Employee Re-  
15              tirement Income Security Act of 1974 (29  
16              U.S.C. 1350(a)(1)) is amended in subpara-  
17              graph (B)—

18                      (I) by striking “provides” and in-  
19                      serting “either—

20                      “(i) provides”;

21                      (II) by striking the period at the  
22                      end and inserting “; or”; and

23                      (III) by adding at the end the  
24                      following new clause:

1                   “(ii) satisfies the requirements of sec-  
2                   tion 6057(a) of the Internal Revenue Code  
3                   of 1986.”.

4                   (5) REQUIREMENT OF ELECTRONIC FILING.—

5                   (A) IN GENERAL.—Paragraph (2) of sec-  
6                   tion 6011(e) of the Internal Revenue Code of  
7                   1986 is amended—

8                   (i) by redesignating subparagraphs  
9                   (A) and (B) as clauses (i) and (ii), respec-  
10                  tively, and by moving such clauses 2 ems  
11                  to the right;

12                  (ii) by striking “the requirements of  
13                  such regulations” and all that follows  
14                  through “the Secretary shall require” and  
15                  inserting “the requirements of such regula-  
16                  tions.

17                  “(B) CERTAIN PARTNERSHIPS.—Notwith-  
18                  standing subparagraph (A), the Secretary shall  
19                  require”;

20                  (iii) by striking “REGULATIONS.—In  
21                  prescribing” and inserting “REGULA-  
22                  TIONS.—

23                  “(A) IN GENERAL.—In prescribing”; and

24                  (iv) by adding at the end the following  
25                  new subparagraph:

1           “(C) EXCEPTIONS.—Notwithstanding sub-  
2 paragraph (A), the Secretary shall require re-  
3 turns or reports required under—

4                   “(i) sections 6057, 6058, and 6059,  
5 and

6                   “(ii) sections 408(i), 6041, and 6047  
7 to the extent such return or report relates  
8 to the tax treatment of a distribution from  
9 a plan, account, contract, or annuity,  
10 to be filed on magnetic media, but only with re-  
11 spect to persons who are required to file at  
12 least 50 returns during the calendar year which  
13 includes the first day of the plan year to which  
14 such returns or reports relate.”.

15           (B) EFFECTIVE DATE.—The amendments  
16 made by this paragraph shall apply to returns  
17 and reports relating to years beginning after  
18 the second December 31 occurring after the  
19 date of the enactment of this Act.

20           (6) SAFEGUARDING PARTICIPANT PRIVACY AND  
21 SECURITY.—In establishing the Retirement Savings  
22 Lost and Found under paragraph (1), the Secretary  
23 of Labor, the Secretary of Treasury, and the Sec-  
24 retary of Commerce shall take all necessary and  
25 proper precautions to ensure that individuals’ plan

1 information maintained by the Retirement Savings  
2 Lost and Found is protected and that persons other  
3 than the individual cannot fraudulently claim the  
4 benefits to which any individual is entitled, and to  
5 allow any individual to opt out of inclusion in the  
6 Retirement Savings Lost and Found at the election  
7 of the individual.

8 (7) AUTHORIZATION OF APPROPRIATIONS.—

9 There are authorized to be appropriated such sums  
10 as may be necessary to carry out the purposes of  
11 this subsection.

12 (b) MANDATORY TRANSFERS OF ROLLOVER DIS-  
13 TRIBUTIONS.—

14 (1) INVESTMENT OPTIONS.—

15 (A) IN GENERAL.—Subparagraph (B) of  
16 section 404(c)(3) of the Employee Retirement  
17 Income Security Act of 1974 (29 U.S.C.  
18 1104(c)(3)) is amended by striking the period  
19 at the end and inserting “, and, to the extent  
20 the Secretary provides in guidance or regula-  
21 tions issued after the enactment of the Securing  
22 a Strong Retirement Act of 2020, is made to—  
23 “(i) a target date or life cycle fund  
24 held under such account;

1                   “(ii) as described in section  
2                   2550.404a–2 of title 29, Code of Federal  
3                   Regulations, an investment product held  
4                   under such account designed to preserve  
5                   principal and provide a reasonable rate of  
6                   return;

7                   “(iii) the Pension Benefit Guaranty  
8                   Corporation in accordance with section  
9                   401(a)(31)(B)(iv) of the Internal Revenue  
10                  Code of 1986 and section 306(c)(2)(A)(ii)  
11                  of the Securing a Strong Retirement Act  
12                  of 2020; or

13                  “(iv) such other option as the Sec-  
14                  retary may so provide.”.

15                  (B) REGULATIONS.—Not later than 270  
16                  days after the date of the enactment of this  
17                  Act, the Secretary of Labor shall promulgate  
18                  regulations identifying the target date or life  
19                  cycle funds, or specifying the characteristics of  
20                  such a fund, that will be deemed to meet the re-  
21                  quirements of section 404(c)(3)(B)(i) of the  
22                  Employee Retirement Income Security Act of  
23                  1974 (29 U.S.C. 1104(c)(3)(B)), as amended  
24                  by subparagraph (A).

1           (2) EXPANSION OF CAP; AUTHORITY TO TRANS-  
2           FER LESSER AMOUNTS.—

3           (A) CAP.—Sections 401(a)(31)(B)(ii) and  
4           411(a)(11)(A) of the Internal Revenue Code of  
5           1986 and section 203(e)(1) of the Employee  
6           Retirement Income Security Act of 1974 are  
7           each amended by striking “\$5,000” and insert-  
8           ing “\$6,000”.

9           (B) DISTRIBUTION OF LARGER AMOUNTS  
10           TO INDIVIDUAL RETIREMENT PLANS ONLY.—  
11           Section 401(a)(31)(B)(i) of such Code is  
12           amended by adding at the end the following:  
13           “The Office of the Retirement Savings Lost  
14           and Found established by Section 306 of the  
15           Securing a Strong Retirement Act shall not be  
16           treated as a trustee or issuer that is eligible to  
17           receive such distributions.”.

18           (C) LESSER AMOUNTS.—Section  
19           401(a)(31)(B) of such Code is amended by add-  
20           ing at the end the following new clauses:

21           “(iii) TREATMENT OF LESSER  
22           AMOUNTS.—In the case of a trust which is  
23           part of an eligible plan, such trust shall  
24           not be a qualified trust under this section  
25           unless such plan provides that, if a partici-



1           pant in the plan separates from the service  
2           covered by the plan and the nonforfeitable  
3           accrued benefit described in clause (ii) is  
4           not in excess of \$1,000, the plan adminis-  
5           trator shall (either separately or as part of  
6           the notice under section 402(f)) notify the  
7           participant that the participant is entitled  
8           to such benefit or attempt to pay the ben-  
9           efit directly to the participant.

10           “(iv) TRANSFERS TO RETIREMENT  
11           SAVINGS LOST AND FOUND.—If, after a  
12           plan administrator takes the action re-  
13           quired under clause (iii), the participant  
14           does not—

15           “(I) within 6 months of the noti-  
16           fication under such clause, make an  
17           election under subparagraph (A) or  
18           elect to receive a distribution of the  
19           benefit directly, or

20           “(II) accept any direct payment  
21           made under such clause within 6  
22           months of the attempted payment,  
23           the plan administrator shall transfer the  
24           amount of such benefit to the Office of the  
25           Retirement Savings Lost and Found in ac-

1 cordance with section 306(c)(2)(a)(ii) of  
2 the Securing a Strong Retirement Act of  
3 2020.

4 “(v) INCOME TAX TREATMENT OF  
5 TRANSFERS TO RETIREMENT SAVINGS  
6 LOST AND FOUND.—For purposes of deter-  
7 mining the income tax treatment of trans-  
8 fers to the Office of the Retirement Sav-  
9 ings Lost and Found under clause (iv)—

10 “(I) such a transfer shall be  
11 treated as a transfer to an individual  
12 retirement plan under clause (i), and

13 “(II) the distribution of such  
14 amounts by the Office of the Retire-  
15 ment Savings Lost and Found shall  
16 be treated as a distribution from an  
17 individual retirement plan.”.

18 (D) EFFECTIVE DATE.—The amendments  
19 made by this paragraph shall apply to vested  
20 benefits with respect to participants who sepa-  
21 rate from service connected to the plan in plan  
22 years beginning after the second December 31  
23 occurring after the date of the enactment of  
24 this Act.

1 (c) OFFICE OF THE RETIREMENT SAVINGS LOST  
2 AND FOUND.—

3 (1) IN GENERAL.—Not later than one year  
4 after the date of the enactment of this Act, the Sec-  
5 retary of Labor, the Secretary of Treasury, and the  
6 Secretary of Commerce shall establish within the  
7 Pension Benefit Guaranty Corporation an Office of  
8 the Retirement Savings Lost and Found to operate  
9 in conjunction with section 4050 of the Employee  
10 Retirement Income Security Act of 1974 (29 U.S.C.  
11 1350).

12 (2) RESPONSIBILITIES OF OFFICE.—

13 (A) IN GENERAL.—In addition to admin-  
14 istering the Retirement Savings Lost and  
15 Found under subsection (a) and carrying out  
16 the duties described in clauses (ii) and (iii) of  
17 subsection (a)(1)(A), the Office of the Retire-  
18 ment Savings Lost and Found established  
19 under this section shall—

20 (i) perform an annual audit of plan  
21 information contained in the Retirement  
22 Savings Lost and Found and ensure that  
23 such information is current and accurate;

24 (ii) invest any amount transferred  
25 under section 401(a)(31)(B)(iv) of the In-

1                    ternal Revenue Code of 1986 in United  
2                    States Treasury securities; and

3                    (iii) upon application filed by the par-  
4                    ticipant or beneficiary in such form and  
5                    manner as may be prescribed in regula-  
6                    tions, pay to the participant or beneficiary  
7                    the amount transferred (or the appropriate  
8                    survivor benefit) either—

9                    (I) in a single sum (plus inter-  
10                    est); or

11                    (II) in such other form as is  
12                    specified in regulations; and

13                    (iv) identify such amount as eligible to  
14                    be paid into an eligible retirement plan de-  
15                    scribed in section 402(c)(8)(B) of the In-  
16                    ternal Revenue Code of 1986.

17                    (B) OPTION TO CONTRACT.—The Office of  
18                    the Retirement Savings Lost and Found shall  
19                    conduct an analysis of the cost effectiveness of  
20                    contracting with a third party to carry out the  
21                    responsibilities under subparagraph (A) and, if  
22                    the Pension Benefit Guaranty Corporation de-  
23                    termines that it would be more cost effective to  
24                    do so than to carry out such responsibilities  
25                    within the Office of the Retirement Savings

1           Lost and Found, the Director shall report to  
2           the Committees on Finance and Health, Edu-  
3           cation, Labor, and Pensions of the Senate and  
4           the Committees on Ways and Means and Edu-  
5           cation and Labor of the House of Representa-  
6           tives the intention to so contract.

7                   (C) OPTION TO PRESCRIBE PROTOCOLS.—  
8           The Pension Benefit Guaranty Corporation may  
9           establish protocols to assist participants origi-  
10          nally treated as lost or missing in claiming their  
11          benefits under a plan.

12                   (D) COORDINATION.—The Office of the  
13          Retirement Savings Lost and Found shall co-  
14          ordinate with the Social Security Administra-  
15          tion, the Employee Benefits Security Adminis-  
16          tration, and other applicable agencies to inte-  
17          grate information and databases on lost, miss-  
18          ing, and inactive participants.

19          (d) TRANSMISSION OF INFORMATION TO PENSION  
20          BENEFIT GUARANTY CORPORATION.—Section 6057 of the  
21          Internal Revenue Code of 1986, as amended by the pre-  
22          ceding provisions of this Act, is amended by redesignating  
23          subsection (h) as subsection (i) and by inserting after sub-  
24          section (g) the following new subsection:

1       “(h) TRANSMISSION OF INFORMATION TO DIRECTOR  
2 OF PENSION BENEFIT GUARANTY CORPORATION.—The  
3 Secretary shall transmit copies of any statements, notifi-  
4 cations, reports, or other information obtained by him  
5 under this section to the Director of the Pension Benefit  
6 Guaranty Corporation.”.

7 **SEC. 307. EXEMPTION FROM REQUIRED MINIMUM DIS-**  
8                   **TRIBUTION RULES FOR INDIVIDUALS WITH**  
9                   **CERTAIN ACCOUNT BALANCES.**

10       (a) IN GENERAL.—Section 401(a)(9) of the Internal  
11 Revenue Code of 1986, as amended by the preceding pro-  
12 visions of this Act, is further amended by adding at the  
13 end the following new subparagraph:

14                   “(L) EXCEPTION FROM REQUIRED MIN-  
15                   IMUM DISTRIBUTIONS DURING LIFE OF EM-  
16                   PLOYEE WHERE ASSETS DO NOT EXCEED  
17                   \$100,000.—

18                   “(i) IN GENERAL.—If, as of a meas-  
19                   urement date, the aggregate value of an  
20                   employee’s entire interest under all defined  
21                   contribution plans does not exceed  
22                   \$100,000, then, during any succeeding cal-  
23                   endar year beginning before the next meas-  
24                   urement date, the requirements of sub-

1 paragraph (A) shall not apply with respect  
2 to such employee.

3 “(ii) DEFINED CONTRIBUTION  
4 PLAN.—For purposes of this subpara-  
5 graph, the term ‘defined contribution plan’  
6 has the same meaning as when used in  
7 subparagraph (H).

8 “(iii) LIMIT ON REQUIRED MINIMUM  
9 DISTRIBUTION.—The required minimum  
10 distribution determined under subpara-  
11 graph (A) for an employee under all de-  
12 fined contribution plans shall not exceed  
13 an amount equal to the excess of—

14 “(I) the aggregate value of an  
15 employee’s entire interest under such  
16 plans on the last day of the calendar  
17 year to which such distribution re-  
18 lates, over

19 “(II) the dollar amount in effect  
20 under clause (i) for such calendar  
21 year.

22 The Secretary in regulations or other guid-  
23 ance may provide how such amount shall  
24 be distributed in the case of an individual

1 with more than one defined contribution  
2 plan.

3 “(iv) MEASUREMENT DATE.—For  
4 purposes of this subparagraph, the term  
5 ‘measurement date’ means, with respect to  
6 any employee—

7 “(I) the last day of the calendar  
8 year preceding the calendar year in  
9 which the employee attains age 75,  
10 and

11 “(II) in the case of any employee  
12 who (after a measurement date deter-  
13 mined under subclause (I) with re-  
14 spect to such employee) receives con-  
15 tributions, rollovers, or transfers of  
16 amounts that were not previously  
17 taken into account in applying this  
18 subparagraph, the last day of the cal-  
19 endar year in which such contribution,  
20 rollover, or transfer was so received.

21 “(v) INFLATION ADJUSTMENT.—In  
22 the case of any calendar year beginning  
23 after 2020, the \$100,000 amount in clause  
24 (i) shall be increased by an amount equal  
25 to—



1                   “(I) such dollar amount, multi-  
2                   plied by

3                   “(II) the cost of living adjust-  
4                   ment determined under section 1(f)(3)  
5                   for the calendar year, determined by  
6                   substituting ‘calendar year 2019’ for  
7                   ‘calendar year 2016’ in subparagraph  
8                   (A)(ii) thereof.

9                   Any increase determined under this clause  
10                  shall be rounded to the next lowest mul-  
11                  tiple of \$5,000.

12                  “(vi) PLAN ADMINISTRATOR RELI-  
13                  ANCE ON EMPLOYEE CERTIFICATION.—A  
14                  defined contribution plan described in  
15                  clause (iii), (iv), (v), or (vi) of section  
16                  402(c)(8)(B) shall not be treated as failing  
17                  to meet the requirements of this paragraph  
18                  in the case of any failure to make a re-  
19                  quired minimum distribution for a cal-  
20                  endar year if—

21                  “(I) the aggregate value of an  
22                  employee’s entire interest under all  
23                  defined contribution plans of the em-  
24                  ployer on the last day of the calendar  
25                  year to which such distribution relates

1 does not exceed the dollar amount in  
2 effect for such year under clause (i),  
3 and

4 “(II) the employee certifies that  
5 the aggregate value of the employee’s  
6 entire interest under all defined con-  
7 tribution plans on the most recent  
8 measurement date with respect to the  
9 employee (as determined by the em-  
10 ployee based on guidance provided by  
11 the Secretary) did not exceed the dol-  
12 lar amount in effect for such year  
13 under clause (i).

14 “(vii) AGGREGATION RULE.—All em-  
15 ployers treated as a single employer under  
16 subsection (b), (c), (m), or (o) of section  
17 414 shall be treated as a single employer  
18 for purposes of clause (v).”.

19 (b) PLAN ADMINISTRATOR REPORTING.—Section  
20 6047 of such Code is amended by redesignating subsection  
21 (h) as subsection (i) and by inserting after subsection (g)  
22 the following new subsection:

23 “(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO  
24 HAVE ATTAINED AGE 74.—

1           “(1) IN GENERAL.—Not later than January 31  
2 of each year, the plan administrator (as defined in  
3 section 414(g)) of each defined contribution plan (as  
4 defined in section 401(a)(9)(L)) shall make a return  
5 to the Secretary with respect to each participant of  
6 such plan who has attained age 74 as of the end of  
7 the preceding calendar year which states—

8           “(A) the name and plan number of the  
9 plan,

10           “(B) the name and address of the plan ad-  
11 ministrator,

12           “(C) the name, address, and taxpayer  
13 identification number of the participant, and

14           “(D) the account balance of such partici-  
15 pant as of the end of the preceding calendar  
16 year.

17           “(2) STATEMENT FURNISHED TO PARTICI-  
18 PANT.—Every person required to make a return  
19 under paragraph (1) with respect to a participant  
20 shall furnish a copy of such return to such partici-  
21 pant.

22           “(3) APPLICATION TO INDIVIDUAL RETIREMENT  
23 PLANS AND ANNUITIES.—In the case of an defined  
24 contribution plan described in clause (i) or (ii) of  
25 section 402(c)(8)(B)—

1           “(A) any reference in this subsection to  
2           the plan administrator shall be treated as a ref-  
3           erence to the trustee or issuer, as the case may  
4           be, and

5           “(B) any reference in this subsection to  
6           the participant shall be treated as a reference  
7           to the individual for whom such account or an-  
8           nuity is maintained.”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10          this section shall apply to distributions required to be  
11          made in calendar years beginning more than 120 days  
12          after the date of the enactment of this Act.

13       **SEC. 308. EXPANSION OF EMPLOYEE PLANS COMPLIANCE**  
14                               **RESOLUTION SYSTEM.**

15          (a) IN GENERAL.—Except as otherwise provided in  
16          the Internal Revenue Code of 1986 or regulations pre-  
17          scribed by the Secretary of the Treasury or the Secretary’s  
18          delegate (referred to in this section as the “Secretary”),  
19          any eligible inadvertent failure to comply with the rules  
20          applicable under section 401(a), 403(a), 403(b), 408(p),  
21          or 408(k) of such Code may be self-corrected under the  
22          Employee Plans Compliance Resolution System (as de-  
23          scribed in Revenue Procedure 2019–19 or any successor  
24          guidance and hereafter in this section referred to as the  
25          “EPCRS” ), except to the extent that such failure was

1 identified by the Secretary prior to any actions which dem-  
2 onstrate a commitment to implement a self-correction.  
3 Revenue Procedure 2019–19 is deemed amended as of the  
4 date of the enactment of this Act to provide that the cor-  
5 rection period under section 9.02 of such Revenue Proce-  
6 dure (or any successor guidance) for an eligible inad-  
7 vertent failure, except as otherwise provided under such  
8 Code or in regulations prescribed by the Secretary, is in-  
9 definite and has no last day, other than with respect to  
10 failures identified by the Secretary prior to any self-correc-  
11 tion as described in the preceding sentence.

12 (b) LOAN ERRORS.—In the case of an eligible inad-  
13 vertent failure relating to a loan from a plan to a partici-  
14 pant—

15 (1) such failure may be self-corrected under  
16 subsection (a) according to the rules of section 6.07  
17 of Revenue Procedure 2019–19 (or any successor  
18 guidance), including the provisions related to wheth-  
19 er a deemed distribution must be reported on Form  
20 1099–R, and

21 (2) the Secretary of Labor shall treat any such  
22 failure which is so self-corrected under subsection  
23 (a) as meeting the requirements of the Voluntary Fi-  
24 duciary Correction Program of the Department of  
25 Labor if, with respect to the violation of the fidu-

1       ciary standards of the Employee Retirement Income  
2       Security Act of 1974, there is a similar loan error  
3       eligible for correction under EPCRS and the loan  
4       error is corrected in such manner.

5       (c) EPCRS FOR IRAS.—The Secretary shall expand  
6       the EPCRS to allow custodians of individual retirement  
7       plans (as defined in section 7701(a)(37) of the Internal  
8       Revenue Code of 1986) to address eligible inadvertent fail-  
9       ures for which the owner of an individual retirement plan  
10      (as so defined) was not at fault, including (but not limited  
11      to)—

12               (1) waivers of the excise tax which would other-  
13      wise apply under section 4974 of the Internal Rev-  
14      enue Code of 1986,

15               (2) under the self-correction component of the  
16      EPCRS, waivers of the 60-day deadline for a roll-  
17      over where the deadline is missed for reasons beyond  
18      the reasonable control of the account owner, and

19               (3) rules permitting a nonspouse beneficiary to  
20      return distributions to an inherited individual retire-  
21      ment plan described in section 408(d)(3)(C) of the  
22      Internal Revenue Code of 1986 in a case where, due  
23      to an inadvertent error by a service provider, the  
24      beneficiary had reason to believe that the distribu-

1           tion could be rolled over without inclusion in income  
2           of any part of the distributed amount.

3           (d) **REQUIRED MINIMUM DISTRIBUTION CORREC-**  
4 **TIONS.**—The Secretary shall expand the EPCRS to allow  
5 plans to which such system applies and custodians and  
6 owners of individual retirement plans to self-correct, with-  
7 out an excise tax, any eligible inadvertent failures pursu-  
8 ant to which a distribution is made no more than 180 days  
9 after it was required to be made.

10          (e) **ADDITIONAL SAFE HARBORS.**—The Secretary  
11 shall expand the EPCRS to provide additional safe harbor  
12 means of correcting eligible inadvertent failures described  
13 in subsection (a), including safe harbor means of calcu-  
14 lating the earnings which must be restored to a plan in  
15 cases where plan assets have been depleted by reason of  
16 an eligible inadvertent failure.

17          (f) **ELIGIBLE INADVERTENT FAILURE.**—For pur-  
18 poses of this section—

19               (1) **IN GENERAL.**—Except as provided in para-  
20 graph (2), the term “eligible inadvertent failure”  
21 means a failure that occurs despite the existence of  
22 practices and procedures which—

23                       (A) satisfy the standards set forth in sec-  
24 tion 4.04 of Revenue Procedure 2019–19 (or  
25 any successor guidance), or

1 (B) satisfy similar standards in the case of  
2 an individual retirement plan.

3 (2) EXCEPTION.—The term “eligible inad-  
4 vertent failure” shall not include any failure which  
5 is egregious, relates to the diversion or misuse of  
6 plan assets, or is directly or indirectly related to an  
7 abusive tax avoidance transaction.

8 (g) APPLICATION OF CERTAIN REQUIREMENTS FOR  
9 CORRECTING ERRORS.—This section shall not apply to  
10 any failure unless the correction of such failure under this  
11 section is made in conformity with the general principles  
12 that apply to corrections of such failures under the Inter-  
13 nal Revenue Code of 1986, including regulations or other  
14 guidance issued thereunder and including those principles  
15 and corrections set forth in Revenue Procedure 2019–19  
16 (or any successor guidance).”

17 **SEC. 309. ELIMINATE THE “FIRST DAY OF THE MONTH” RE-**  
18 **QUIREMENT FOR GOVERNMENTAL SECTION**  
19 **457(B) PLANS.**

20 (a) IN GENERAL.—Paragraph (4) of section 457(b)  
21 of the Internal Revenue Code of 1986 is amended to read  
22 as follows:

23 “(4) which provides that compensation—

24 “(A) in the case of an eligible employer de-  
25 scribed in subsection (e)(1)(A), will be deferred



1           only if an agreement providing for such deferral  
2           has been entered into before the compensation  
3           is currently available to the individual, and

4                   “(B) in any other case, will be deferred for  
5           any calendar month only if an agreement pro-  
6           viding for such deferral has been entered into  
7           before the beginning of such month.”.

8           (b) **EFFECTIVE DATE.**—The amendment made by  
9           this section shall apply to taxable years beginning after  
10          the date of the enactment of this Act.

11 **SEC. 310. ONE-TIME ELECTION FOR QUALIFIED CHARITABLE**  
12 **TABLE DISTRIBUTION TO SPLIT-INTEREST**  
13 **ENTITY; INCREASE IN QUALIFIED CHARITABLE**  
14 **TABLE DISTRIBUTION LIMITATION.**

15          (a) **INCREASE IN LIMITATION.**—Section 408(d)(8)(A)  
16          of the Internal Revenue Code of 1986 is amended by strik-  
17          ing “\$100,000” and inserting “\$130,000”.

18          (b) **ONE-TIME ELECTION FOR QUALIFIED CHARITABLE**  
19 **TABLE DISTRIBUTION TO SPLIT-INTEREST ENTITY.**—Sec-  
20          tion 408(d)(8) of such Code is amended by adding at the  
21          end the following new subparagraph:

22                   “(F) **ONE-TIME ELECTION FOR QUALIFIED**  
23                   **CHARITABLE DISTRIBUTION TO SPLIT-INTEREST**  
24                   **ENTITY.**—

1           “(i) IN GENERAL.—A taxpayer may  
2           for a taxable year elect under this subpara-  
3           graph to treat as meeting the requirement  
4           of subparagraph (B)(i) any distribution  
5           from an individual retirement account  
6           which is made directly by the trustee to a  
7           split-interest entity, but only if—

8                   “(I) an election is not in effect  
9                   under this subparagraph for a pre-  
10                  ceding taxable year, and

11                   “(II) such distribution meets the  
12                   requirements of clauses (iii) and (iv).

13           “(ii) SPLIT-INTEREST ENTITY.—For  
14           purposes of this subparagraph, the term  
15           ‘split-interest entity’ means—

16                   “(I) a charitable remainder annu-  
17                   ity trust (as defined in section  
18                   664(d)(1)), but only if such trust is  
19                   funded exclusively by qualified chari-  
20                   table distributions,

21                   “(II) a charitable remainder  
22                   unitrust (as defined in section  
23                   664(d)(2)), but only if such unitrust  
24                   is funded exclusively by qualified char-  
25                   itable distributions, or

1                   “(III) a charitable gift annuity  
2                   (as defined in section 501(m)(5)), but  
3                   only if such annuity is funded exclu-  
4                   sively by qualified charitable distribu-  
5                   tions and commences fixed payments  
6                   of 5 percent or greater not later than  
7                   1 year from the date of funding.

8                   “(iii) CONTRIBUTIONS MUST BE OTH-  
9                   ERWISE DEDUCTIBLE.—A distribution  
10                  meets the requirement of this clause only  
11                  if—

12                   “(I) in the case of a distribution  
13                   to a charitable remainder annuity  
14                   trust or a charitable remainder uni-  
15                   trust, a deduction for the entire value  
16                   of the remainder interest in the dis-  
17                   tribution for the benefit of a specified  
18                   charitable organization would be al-  
19                   lowable under section 170 (determined  
20                   without regard to subsection (b)  
21                   thereof and this paragraph), and

22                   “(II) in the case of a charitable  
23                   gift annuity, a deduction in an  
24                   amount equal to the amount of the  
25                   distribution reduced by the value of

1 the annuity described in section  
2 501(m)(5)(B) would be allowable  
3 under section 170 (determined with-  
4 out regard to subsection (b) thereof  
5 and this paragraph).

6 “(iv) LIMITATION ON INCOME INTER-  
7 ESTS.—A distribution meets the require-  
8 ments of this clause only if—

9 “(I) no person holds an income  
10 interest in the split-interest entity  
11 other than the individual for whose  
12 benefit such account is maintained,  
13 the spouse of such individual, or both,  
14 and

15 “(II) the income interest in the  
16 split-interest entity is nonassignable.

17 “(v) SPECIAL RULES.—

18 “(I) CHARITABLE REMAINDER  
19 TRUSTS.—Notwithstanding section  
20 664(b), distributions made from a  
21 trust described in subclause (I) or (II)  
22 of clause (ii) shall be treated as ordi-  
23 nary income in the hands of the bene-  
24 ficiary to whom the annuity described  
25 in section 664(d)(1)(A) or the pay-

1                   ment       described       in       section  
2                   664(d)(2)(A) is paid.

3                   “(II) CHARITABLE GIFT ANNU-  
4                   ITIES.—Qualified charitable distribu-  
5                   tions made to fund a charitable gift  
6                   annuity shall not be treated as an in-  
7                   vestment in the contract for purposes  
8                   of section 72(c).”.

9       (c) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to distributions made in taxable  
11 years ending after the date of the enactment of this Act.

12 **SEC. 311. RETIREMENT PLAN DISTRIBUTIONS FOR CHARI-  
13                   TABLE PURPOSE.**

14       (a) IN GENERAL.—Section 402 of the Internal Rev-  
15 enue Code of 1986 is amended by adding at the end the  
16 following new subsection:

17       “(m) DISTRIBUTIONS FOR CHARITABLE PUR-  
18       POSES.—

19               “(1) IN GENERAL.—Gross income for any tax-  
20       able year shall not include so much of the aggregate  
21       amount of qualified charitable distributions made  
22       with respect to a taxpayer during such taxable year  
23       which does not exceed the applicable amount.

24               “(2) QUALIFIED CHARITABLE DISTRIBUTION.—  
25       For purposes of this subsection, the term ‘qualified

1 charitable distribution’ means any distribution from  
2 a trust as defined in section 401(a) that is exempt  
3 from tax under 501(a)—

4 “(A) which is made directly by the plan to  
5 an organization described in section  
6 170(b)(1)(A) (other than any organization de-  
7 scribed in section 509(a)(3) or any fund or ac-  
8 count described in section 4966(d)(2)), and

9 “(B) which is made on or after the date  
10 that the individual on whose behalf the distribu-  
11 tion is made has attained age 70<sup>1</sup>/<sub>2</sub>.

12 A distribution shall be treated as a qualified chari-  
13 table distribution only to the extent that the dis-  
14 tribution would be includible in gross income without  
15 regard to paragraph (1).

16 “(3) SPECIAL RULES.—

17 “(A) IN GENERAL.—Rules similar to the  
18 rules of subparagraphs (C), (E), and (F) of sec-  
19 tion 408(d)(8) shall apply for purposes of this  
20 subsection.

21 “(B) APPLICATION OF SECTION 72.—  
22 Rules similar to the rules of section  
23 408(d)(8)(D) shall apply for purposes of this  
24 subsection, by taking into account all amounts  
25 in the eligible retirement plan to which the tax-

1           payer has a nonforfeitable right in lieu of all  
2           amounts in all individual retirement plans of  
3           the individual.

4           “(4) APPLICABLE AMOUNT.—For purposes of  
5           this subsection, the term ‘applicable amount’ means  
6           the excess of—

7                   “(A) \$130,000, over

8                   “(B) the total amount of any distributions  
9                   not includible in gross income of the taxpayer  
10                   for the taxable year by reason of sections  
11                   403(d), 408(d)(8), and 457(e)(19).”.

12           (b) SEPs AND SIMPLEs.—Section 408(d)(8)(B) of  
13           such Code is amended by striking “(other than a plan de-  
14           scribed in subsection (k) or (p))”.

15           (c) CERTAIN ANNUITY PLANS.—Section 403 of such  
16           Code is amended by adding at the end the following new  
17           subsection:

18                   “(d) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—  
19                   The rules of section 402(m) shall apply to distributions  
20                   under an annuity plan described in subsection (a) or an  
21                   annuity contract described in subsection (b).”.

22           (d) 457(b) PLANS.—Subsection (e) of section 457 of  
23           such Code is amended by adding at the end the following  
24           new paragraph:

1           “(19) DISTRIBUTIONS FOR CHARITABLE PUR-  
2           POSES.—The rules of section 402(m) shall apply to  
3           distributions under an eligible deferred compensation  
4           plan established and maintained by an employer de-  
5           scribed in subsection (e)(1)(A).”.

6           (e) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to distributions made in taxable  
8           years ending after the date of the enactment of this Act.

9           **SEC. 312. DISTRIBUTIONS TO FIREFIGHTERS.**

10          (a) IN GENERAL.—Subparagraph (A) of section  
11          72(t)(10) of the Internal Revenue Code of 1986 is amend-  
12          ed by striking “414(d))” and inserting “414(d)) or a dis-  
13          tribution from a plan described in clause (iii), (iv), or (vi)  
14          of section 402(c)(8)(B) to an employee who provides fire-  
15          fighting services”.

16          (b) CONFORMING AMENDMENT.—The heading of  
17          paragraph (10) of section 72(t) of such Code is amend-  
18          ed—

19                  (1) by striking “QUALIFIED”, and

20                  (2) by striking “IN GOVERNMENTAL PLANS”.

21          (c) EFFECTIVE DATE.—The amendments made by  
22          this section shall apply to distributions made after Decem-  
23          ber 31, 2020.



1 **SEC. 313. EXCLUSION OF CERTAIN DISABILITY-RELATED**  
2 **FIRST RESPONDER RETIREMENT PAYMENTS.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-  
4 ter 1 of the Internal Revenue Code of 1986 is amended  
5 by inserting after section 139B the following new section:

6 **“SEC. 139C. CERTAIN DISABILITY-RELATED FIRST RE-**  
7 **SPONDER RETIREMENT PAYMENTS.**

8 “(a) IN GENERAL.—In the case of an individual who  
9 receives qualified first responder retirement payments for  
10 any taxable year, gross income shall not include so much  
11 of such payments as do not exceed the annualized exclud-  
12 able disability amount with respect to such individual.

13 “(b) QUALIFIED FIRST RESPONDER RETIREMENT  
14 PAYMENTS.—For purposes of this section, the term ‘quali-  
15 fied first responder retirement payments’ means, with re-  
16 spect to any taxable year, any pension or annuity which  
17 but for this section would be includible in gross income  
18 for such taxable year and which is received—

19 “(1) from a plan described in clause (iii), (iv),  
20 (v), or (vi) of section 402(c)(8)(B), and

21 “(2) in connection with such individual’s quali-  
22 fied first responder service.

23 “(c) ANNUALIZED EXCLUDABLE DISABILITY  
24 AMOUNT.—For purposes of this section—

25 “(1) IN GENERAL.—The term ‘annualized ex-  
26 cludable disability amount’ means, with respect to

1 any individual, the service-connected excludable dis-  
2 ability amounts which are properly attributable to  
3 the 12-month period immediately preceding the date  
4 on which such individual attains retirement age.

5 “(2) SERVICE-CONNECTED EXCLUDABLE DIS-  
6 ABILITY AMOUNT.—The term ‘service-connected ex-  
7 cludable disability amount’ means periodic payments  
8 received by an individual which—

9 “(A) are not includible in such individual’s  
10 gross income under section 104(a)(1),

11 “(B) are received in connection with such  
12 individual’s qualified first responder service,  
13 and

14 “(C) terminate when such individual at-  
15 tains retirement age.

16 “(3) SPECIAL RULE FOR PARTIAL-YEAR PAY-  
17 MENTS.—In the case of an individual who only re-  
18 ceives service-connected excludable disability  
19 amounts properly attributable to a portion of the 12-  
20 month period described in paragraph (1), such para-  
21 graph shall be applied by multiplying such amounts  
22 by the ratio of 365 to the number of days in such  
23 period to which such amounts were properly attrib-  
24 utable.

1           “(d) **QUALIFIED FIRST RESPONDER SERVICE.**—For  
2 purposes of this section, the term ‘qualified first responder  
3 service’ means service as a law enforcement officer, fire-  
4 fighter, paramedic, or emergency medical technician.”.

5           (b) **CLERICAL AMENDMENT.**—The table of sections  
6 for part III of subchapter B of chapter 1 of such Code  
7 is amended by inserting after the item relating to section  
8 139B the following new item:

          “Sec. 139C. Certain disability-related first responder retirement payments.”.

9           (c) **EFFECTIVE DATE.**—The amendments made by  
10 this section shall apply to amounts received with respect  
11 to taxable years beginning after the date of the enactment  
12 of this Act.

13 **SEC. 314. INDIVIDUAL RETIREMENT PLAN STATUTE OF LIM-**  
14 **ITATIONS FOR EXCISE TAX ON EXCESS CON-**  
15 **TRIBUTIONS, CERTAIN ACCUMULATIONS,**  
16 **AND PROHIBITED TRANSACTIONS.**

17           Section 6501(l) of the Internal Revenue Code of 1986  
18 is amended—

19           (1) in paragraph (1), by inserting “(other than  
20 with respect to an individual retirement plan)” after  
21 “section 4975”, and

22           (2) by adding at the end the following new  
23 paragraph:

24           “(4) **INDIVIDUAL RETIREMENT PLANS.**—

1           “(A) IN GENERAL.—For purposes of any  
2 tax imposed by section 4973, 4974, or 4975 in  
3 connection with an individual retirement plan,  
4 the return referred to in this section shall be  
5 the income tax return filed by the person on  
6 whom the tax under such section is imposed for  
7 the year in which the act (or failure to act) giv-  
8 ing rise to the liability for such tax occurred.

9           “(B) RULE IN CASE OF INDIVIDUALS NOT  
10 REQUIRED TO FILE RETURN.—In the case of a  
11 person who is not required to file an income tax  
12 return for such year—

13                 “(i) the return referred to in this sec-  
14 tion shall be the income tax return that  
15 such person would have been required to  
16 file but for the fact that such person was  
17 not required to file such return, and

18                 “(ii) the 3-year period referred to in  
19 subsection (a) with respect to the return  
20 shall be deemed to begin on the date by  
21 which the return would have been required  
22 to be filed (excluding any extension there-  
23 of).”.

1 **SEC. 315. REQUIREMENT TO PROVIDE PAPER STATEMENTS**  
2 **IN CERTAIN CASES.**

3 (a) IN GENERAL.—Section 105(a)(2) of the Em-  
4 ployee Retirement Income Security Act of 1974 (29  
5 U.S.C. 1025(a)(2)) is amended—

6 (1) in subparagraph (A)(iv), by inserting “sub-  
7 ject to subparagraph (E),” before “may be deliv-  
8 ered”; and

9 (2) by adding at the end the following:

10 “(E) PROVISION OF PAPER STATE-  
11 MENTS.—With respect to at least 1 pension  
12 benefit statement furnished for a calendar year  
13 with respect to an individual account plan  
14 under paragraph (1)(A), and with respect to at  
15 least 1 pension benefit statement furnished  
16 every 3 calendar years with respect to a defined  
17 benefit plan under paragraph (1)(B), such  
18 statement shall be furnished on paper in writ-  
19 ten form except—

20 “(i) in the case of a plan that fur-  
21 nishes such statement in accordance with  
22 section 2520.104b-1(c) of title 29, Code of  
23 Federal Regulations; or

24 “(ii) in the case of a plan that permits  
25 a participant or beneficiary to request that  
26 the statements referred to in the matter

1 preceding clause (i) be furnished by elec-  
2 tronic delivery, if the participant or bene-  
3 ficiary requests that such statements be  
4 delivered electronically and the statements  
5 are so delivered.”.

6 (b) IMPLEMENTATION.—

7 (1) IN GENERAL.—The Secretary of Labor  
8 shall, not later than July 1, 2021, update section  
9 2520.104b-1(c) of title 29, Code of Federal Regula-  
10 tions, to provide that a plan may furnish the state-  
11 ments referred to in subparagraph (E) of section  
12 105(a)(2) by electronic delivery only if, in addition  
13 to meeting the other requirements under the regula-  
14 tions—

15 (A) such plan furnishes each participant,  
16 including participants described in subpara-  
17 graph (B), a one-time initial notice on paper in  
18 written form, prior to the electronic delivery of  
19 any pension benefit statement, of their right to  
20 request that all documents required to be dis-  
21 closed under title I of the Employee Retirement  
22 Income Security Act of 1974 be furnished on  
23 paper in written form; and

24 (B) such plan furnishes each participant  
25 who is separated from service with at least 1

1 pension benefit statement on paper in written  
2 form for each calendar year.

3 (2) OTHER GUIDANCE.—In implementing the  
4 amendment made by subsection (a) with respect to  
5 a plan that discloses required documents or state-  
6 ments electronically, in accordance with applicable  
7 guidance governing electronic disclosure by the De-  
8 partment of Labor (with the exception of section  
9 2520.104b-1(c) of title 29, Code of Federal Regula-  
10 tions), the Secretary of Labor shall, not later than  
11 July 1, 2021, update such guidance to the extent  
12 necessary to ensure that—

13 (A) a participant or beneficiary under such  
14 a plan is permitted the opportunity to request  
15 that any disclosure required to be delivered on  
16 paper under applicable guidance by the Depart-  
17 ment of Labor shall be furnished by electronic  
18 delivery;

19 (B) each paper statement furnished under  
20 such a plan pursuant to the amendment shall  
21 include—

22 (i) an explanation of how to request  
23 that all such statements, and any other  
24 document required to be disclosed under  
25 title I of the Employee Retirement Income

1 Security Act of 1974, be furnished by elec-  
2 tronic delivery; and

3 (ii) contact information for the plan  
4 sponsor, including a telephone number;

5 (C) the plan may not charge any fee to a  
6 participant or beneficiary for the delivery of  
7 paper statements;

8 (D) each paper pension benefit statement  
9 shall identify each plan document required to be  
10 disclosed and shall include information about  
11 how a participant or beneficiary may access  
12 each such document;

13 (E) each document required to be disclosed  
14 that is furnished by electronic delivery under  
15 such a plan shall include an explanation of how  
16 to request that all such documents be furnished  
17 on paper in written form;

18 (F) a plan is permitted to furnish a dupli-  
19 cate electronic statement in any case in which  
20 the plan furnishes a paper statement; and

21 (G) furnishment of such a paper pension  
22 benefit statement may be combined, in one doc-  
23 ument, with a notice explaining electronic deliv-  
24 ery of other disclosure documents as a default  
25 selection and the right to opt out of such elec-



1           tronic delivery, but only if such paper statement  
2           is furnished prior to the electronic delivery of  
3           any such statement.

4           (c) EFFECTIVE DATE.—The amendment made by  
5           subsection (a) shall apply with respect to plan years begin-  
6           ning after December 31, 2021.

## 7                           **TITLE IV—TECHNICAL** 8                           **AMENDMENTS**

### 9   **SEC. 401. AMENDMENTS RELATING TO SETTING EVERY** 10                           **COMMUNITY UP FOR RETIREMENT ENHANCE-** 11                           **MENT ACT OF 2019.**

12           (a) TECHNICAL AMENDMENTS.—

13                   (1) AMENDMENT RELATING TO SECTION 114.—  
14           Section 401(a)(9)(C)(iii) of the Internal Revenue  
15           Code of 1986 is amended by striking “employee to  
16           whom clause (i)(II) applies” and inserting “em-  
17           ployee (other than an employee to whom clause  
18           (i)(II) does not apply by reason of clause (ii))”.

19                   (2) AMENDMENT RELATING TO SECTION 116.—  
20           Section 4973(b) of the Internal Revenue Code of  
21           1986 is amended by adding at the end of the flush  
22           matter the following: “Such term shall not include  
23           any designated nondeductible contribution (as de-  
24           fined in subparagraph (C) of section 408(o)(2))  
25           which does not exceed the nondeductible limit under

1 subparagraph (B) thereof by reason of an election  
2 under section 408(o)(5).”.

3 (3) **EFFECTIVE DATE.**—The amendments made  
4 by this section shall take effect as if included in sec-  
5 tion of the Setting Every Community Up for Retirement  
6 Enhancement Act of 2019 to which the  
7 amendment relates.

8 (b) **CLERICAL AMENDMENT.**—Section  
9 72(t)(2)(H)(vi)(IV) of the Internal Revenue Code of 1986  
10 is amended by striking “403(b)(7)(A)(ii)” and inserting  
11 “ 403(b)(7)(A)(i)”.

## 12 **TITLE V—ADMINISTRATIVE** 13 **PROVISIONS**

### 14 **SEC. 501. PROVISIONS RELATING TO PLAN AMENDMENTS.**

15 (a) **IN GENERAL.**—If this section applies to any re-  
16 tirement plan or contract amendment—

17 (1) such retirement plan or contract shall be  
18 treated as being operated in accordance with the  
19 terms of the plan during the period described in sub-  
20 section (b)(2)(A); and

21 (2) except as provided by the Secretary of the  
22 Treasury (or the Secretary’s delegate), such retire-  
23 ment plan shall not fail to meet the requirements of  
24 section 411(d)(6) of the Internal Revenue Code of  
25 1986 and section 204(g) of the Employee Retire-

1       ment Income Security Act of 1974 by reason of such  
2       amendment.

3       (b) AMENDMENTS TO WHICH SECTION APPLIES.—

4           (1) IN GENERAL.—This section shall apply to  
5       any amendment to any retirement plan or annuity  
6       contract which is made—

7           (A) pursuant to any amendment made by  
8       this Act or pursuant to any regulation issued by  
9       the Secretary of the Treasury or the Secretary  
10      of Labor (or a delegate of either such Sec-  
11      retary) under this Act; and

12          (B) on or before the last day of the first  
13      plan year beginning on or after January 1,  
14      2022.

15      In the case of a governmental plan (as defined in  
16      section 414(d) of the Internal Revenue Code of  
17      1986), this paragraph shall be applied by sub-  
18      stituting “2024” for “2022”.

19          (2) CONDITIONS.—This section shall not apply  
20      to any amendment unless—

21           (A) during the period—

22           (i) beginning on the date the legisla-  
23           tive or regulatory amendment described in  
24           paragraph (1)(A) takes effect (or in the  
25           case of a plan or contract amendment not

1 required by such legislative or regulatory  
2 amendment, the effective date specified by  
3 the plan); and

4 (ii) ending on the date described in  
5 paragraph (1)(B) (as modified by the sec-  
6 ond sentence of paragraph (1)) (or, if ear-  
7 lier, the date the plan or contract amend-  
8 ment is adopted),

9 the plan or contract is operated as if such plan  
10 or contract amendment were in effect; and

11 (B) such plan or contract amendment ap-  
12 plies retroactively for such period.