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Senators introduce “Starter(k)” proposal

On March 30, Senators John Barrasso (R-WY) and Tom Carper (D-DE) [introduced](#) the Starter-K Act of 2022. The bill would create so-called starter retirement plans with the goal of reducing compliance and cost burdens for small businesses looking to establish a plan.

Specifically, the bill would provide employers a safe harbor for the nondiscrimination and top-heavy testing requirements for defined contribution plans, not require matching contributions, and provide simplified reporting to the Department of Labor, among other things.

Senate Banking Republicans introduce JOBS 4.0

On April 4, ahead of the 10th anniversary of enactment of the bipartisan Jumpstart Our Business Startups (JOBS) Act, Senate Banking Committee Republicans unveiled a [discussion draft](#) of a new plan aimed at economic growth and new business formation. The draft’s working title is the JOBS Act 4.0. The bill aims to encourage companies to be publicly traded, improve the market for private capital, enhance retail investor access to investment opportunities, and improve regulatory oversight.

Among the draft’s 29 provisions are initiatives to expand the definition of accredited investor and expand access to alternative assets within retirement plans. The bill is not expected to become law in the near term but illuminates what a Republican-led committee may prioritize in 2023 depending on the outcome of the midterm elections.

House committee advances another retirement bill, not expected to be part of SECURE 2.0

On April 5, the House Education and Labor Committee [voted to advance H.R. 7310](#), the Protecting America's Retirement Security (PARS) Act, on a party-line basis by a vote of 29-21. The bill is not expected to become law or be included in SECURE 2.0.

The PARS Act includes provisions to update defined contribution plan fee disclosures, develop a personal finance education portal housed under the Department of Education, require spousal consent for defined contribution plans, require retirement plans to automatically re-enroll non-participating employees every three years, create an employee ownership and participation initiative, and allow taxpayers to defer tax refunds to a "rainy day" savings account.

Relatedly, Reps. Susan Wild (D-PA) and Julia Letlow (R-LA) [introduced H.R. 7284](#), the Informed Savers Act, which would direct the DOL to review regulations governing retirement plan fee disclosures to increase transparency for plan participants.

State-run retirement plans continue to receive attention

Across the country, various states continue to explore [state-run retirement plan](#) programs for private sector employees, sometimes referred to as Secure Choice or state(k) plans. While the specifics of each plan and proposal differ, generally they require businesses that don't offer a retirement plan to enroll employees in state-sponsored accounts designed as Roth IRAs.

Legislation is advancing in Arizona, Missouri and Oklahoma, while a similar proposal was recently reintroduced in Rhode Island.

Connecticut is the most recent state to launch a state(k) program; [MyCT Savings](#) launched on March 24. The program is sponsored by the Connecticut Retirement Security Authority and is open to private-sector workers who do not have access to an employer-sponsored plan. It officially began enrolling businesses with 100 or more employees in Connecticut on April 1.

Nine states have enacted legislation, and five states have fully active programs.

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References and source material used in this publication

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Barrasso, Carper Introduce the Starter-K Act of 2022 to Provide Retirement Security to More Americans (press release)
<https://www.barrasso.senate.gov/public/index.cfm/news-releases?ID=88811C15-FBD8-4E8C-8041-F8DD46E39105BILL>

Banking Republicans Roll Out Capital Formation Legislation to Mark 10th Anniversary of JOBS Act (press release)
<https://www.banking.senate.gov/newsroom/minority/banking-republicans-roll-out-capital-formation-legislation-to-mark-10th-anniversary-of-jobs-act>

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McBath, Democratic Colleagues Lead Legislation Protecting Retirement Security for Americans (press release)
<https://edlabor.house.gov/media/press-releases/mcbath-democratic-colleagues-lead-legislation-protecting-retirement-security-for-americans>

Rep. Wild Introduces Bill to Increase Retirement Plan Fee Transparency (press release)
<https://wild.house.gov/media/press-releases/rep-wild-introduces-bill-increase-retirement-plan-fee-transparency>

State-facilitated Workplace Retirement Programs: What Your Business Should Know
<https://www.paychex.com/articles/employee-benefits/8-states-state-sponsored-ira>

MyCTSA Savings Can Help Your Employees Succeed
<https://myctsavings.com/employers/program-details>

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Keeping watch

You can find the most recent information on issues affecting governmental defined contribution plans, plan sponsors and plan participants on the Employer page of our plan website, NRSforu.com/plansponsor.

About this report

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

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

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