



# Federal Legislative & Regulatory Report

## November 2021

### Inside this issue

House passes Build Back Better Act, includes retirement provisions .....	Below
Bipartisan infrastructure bill signed into law, includes retirement plan disaster relief.....	Page 2
House Education and Labor leaders introduce bipartisan version of SECURE 2.0.....	Page 2
Ranking Member of Aging Committee releases retirement security report.....	Page 3
References and source material used in this publication .....	Page 4

### House passes Build Back Better Act, includes retirement provisions

On November 19, the House passed H.R. 5376, the Build Back Better Act (BBBA). A 179-page summary of the bill can be viewed [here](#).

The sprawling \$1.7 trillion bill includes provisions related to clean energy, immigration, housing, childcare, health care and paid leave, among others. To pay for this, the BBBA includes numerous revenue provisions, including:

- Increased IRS enforcement
- A new corporate alternative minimum tax on book income
- A surtax on individuals who earn more than \$10 million a year
- Limits on retirement accounts

Specifically, the BBBA includes a \$10 million aggregate cap on all IRAs and defined contribution (DC) plans, eliminates backdoor Roth contributions and eliminates all Roth conversions for high-income earners, defined as \$400,000 (single filers) / \$450,000 (joint filers).

The BBBA now heads to the Senate, where additional changes are expected as disagreements remain over the need for, size of and substance of the bill. Timing is also a question as Democratic leaders target year-end for enactment but have little time and need to address other items (e.g., government funding, the debt limit and the defense bill).

## Bipartisan infrastructure bill signed into law, includes retirement plan disaster relief

On November 5, the House passed [H.R. 3684](#), the Infrastructure Investment and Jobs Act (IIJA). The bill then headed to President Biden, who signed it into law on November 15.

Also referred to as the bipartisan infrastructure bill or BIF, IIJA would provide \$550 billion in new funding (\$1.2 trillion total) for various hard infrastructure projects such as improving roads, bridges, ports, water safety and rural broadband.

The bill also includes several changes of note for retirement plans:

- **Defined benefit (DB) pension smoothing** – Extends the relief provided under the American Rescue Plan Act of 2021
- **Disaster deadline changes** — Establishes automatic 60-day deadline extensions for certain retirement-related Internal Revenue Service (IRS) filing deadlines in the event of certain federally declared disasters — rather than waiting for the agency to grant them individually.
  - These changes apply to deadlines for:
    - Individual tax filing
    - Contributions to certain qualified retirement plans
    - Distributing excess IRA contributions
    - Recharacterizing IRA contributions
    - Completing 60-day rollovers
  - The provision also amends the definition of “federally declared disaster” to include a “significant fire” among the disasters for which the Treasury Secretary can extend various tax-related deadlines on a discretionary basis.

## House Education and Labor leaders introduce bipartisan version of SECURE 2.0

On November 8, House Education and Labor Committee Chair Bobby Scott (D-VA), Ranking Member Virginia Foxx (R-NC) and others [introduced](#) H.R. 5891, the Retirement Improvement and Savings Enhancement (RISE) Act. The committee advanced the bill on November 10.

The RISE Act is the Committee’s version of the SECURE 2.0 – a set of broadly popular, bipartisan retirement security proposals. The RISE Act shares provisions with the previously introduced Securing a Strong Retirement Act (SSRA/Neal-Brady) and Retirement Security and Savings Act (RSSA/Cardin-Portman).

These bills, together with others still in development, will form the substance of SECURE 2.0 – the ultimately agreed-upon single bill that is expected to receive serious consideration in 2022. Notable provisions of the RISE Act include:

- Establishes an online, searchable “Retirement Lost and Found” database at the Department of Labor to help workers locate their hard-earned retirement savings as they move from job to job
- Allows 403(b) retirement plans to participate in multiple employer plans and pooled employer plans
- Ensures that more part-time workers are offered opportunities to join retirement savings plans
- Clarifies rules regarding the recovery of inadvertent overpayments to retirees, minimizing hardships
- Enables employers to provide small financial incentives, such as low-dollar gift cards, to incentivize workers’ participation in retirement plans
- Simplifies and clarifies reporting and disclosure requirements related to retirement plans

The Committee’s [press release](#) for H.R. 5891 includes links to a fact sheet, a summary of the bill and the text of the bill.

## Ranking Member of Aging Committee releases retirement security report

On October 28, the Senate Committee on Aging held a hearing titled “A Financially Secure Future: Building a Stronger Retirement System for All Americans.” Along with the hearing, Ranking Member Tim Scott (R-SC) [released a report](#) titled “[The American Dream in our Golden Years: Improving Retirement Security and Building Independence](#),” which examines current trends and gaps in the retirement savings system.

The report identifies several problems with the current retirement system, including limited access to retirement accounts, low participation rates, asset leakage due to early withdrawals, and rising health care costs. It also praises the SECURE Act, strongly supports SECURE 2.0 and outlines several reforms to strengthen retirement security, including:

- Expanding lifetime income options for retirees
- Codifying auto-portability regulations to prevent leakage
- Plan benefit expense flexibility and electronic delivery to increase retirement options
- Expanding and strengthening health savings accounts
- Eliminating the retirement earnings test in Social Security
- Protecting the gig economy
- Supporting senior citizen entrepreneurship

[\(Back to the Table of Contents\)](#)

## References and source material used in this publication

### Page 1

Build Back Better Act — Rules Committee Print 117-18 — Section-By-Section

[https://rules.house.gov/sites/democrats.rules.house.gov/files/Section\\_by\\_Section\\_BBB\\_RCP117-18\\_\\_.pdf](https://rules.house.gov/sites/democrats.rules.house.gov/files/Section_by_Section_BBB_RCP117-18__.pdf)

### Page 2

Bipartisan Infrastructure Investment and Jobs Act Summary

<https://mcusercontent.com/65ee38c99561aeba4a1f82919/files/b513628a-7a7d-d5cc-d4b9-36dfc60bc176/InfrastructureInvestmentJobsActSectionbySectionSummary.01.pdf>

Committee Leaders Introduce Bipartisan Legislation to Help Workers Save for Retirement (Press release)

<https://edlabor.house.gov/media/press-releases/committee-leaders-introduce-bipartisan-legislation-to-help-workers-save-for-retirement>

### Page 3

Scott Releases Retirement Security Report, Bill to Eliminate Work Disincentive for Seniors (Press release)

<https://www.aging.senate.gov/press-releases/scott-releases-retirement-security-report-bill-to-eliminate-work-disincentive-for-seniors>

The American Dream in our Golden Years: Improving Retirement Security and Building Independence

[https://www.aging.senate.gov/imo/media/doc/Scott\\_Retirement\\_Security\\_Report\\_10.28.21.pdf](https://www.aging.senate.gov/imo/media/doc/Scott_Retirement_Security_Report_10.28.21.pdf)

[\(Back to the Table of Contents\)](#)

## 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](https://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.

Nationwide, the Nationwide N and Eagle and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company.  
© 2021 Nationwide

NRM-19635AO (12/21)

