

EB Flash: Top House Taxwriters Introduce Bipartisan Retirement Legislation

Employee Benefits Alert

10.27.2020

House Ways and Means Committee Chairman Richard Neal (D-MA) today introduced the " [Securing a Strong Retirement Act](#) " with Ranking Member Kevin Brady (R-TX). The bipartisan legislation builds on last year's [Setting Every Community Up for Retirement Enhancement \(SECURE\) Act](#) and aims to further enhance retirement savings options for workers.

Key components of the new bill would increase the catch-up contribution limit at age 60; delay required minimum distributions to age 75 (and exempt individuals with an aggregate value of \$100,000 or less in all defined contribution plans); treat student loan repayments as elective deferrals for matching contribution purposes; protect retirees who receive retirement plan overpayments; and establish a national "missing participant" registry.

A [press release](#) issued by the two lawmakers explains that the bill's provisions aim to:

- Promote savings earlier for retirement by enrolling employees automatically in their company's 401(k) plan, when a new plan is created;
- Create a new financial incentive for small businesses to offer retirement plans;
- Increase and modernize the existing federal tax credit for contributions to a retirement plan or IRA (the Saver's Credit);
- Expand retirement savings options for non-profit employees by allowing groups of non-profits to join together to offer retirement plans to their employees;
- Offer individuals 60 and older more flexibility to set aside savings as they approach retirement;
- Allow individuals to save for retirement longer by increasing the required minimum distribution age to 75;
- Allow individuals to pay down a student loan instead of contributing to a 401(k) plan and still receive an employer match in their retirement plan;
- Make it easier for military spouses who change jobs frequently to save for retirement;
- Allow individuals more flexibility to make gifts to charity through their IRAs;
- Allow taxpayers to avoid harsh penalties for inadvertent errors managing an IRA that can lead to a loss of retirement savings;
- Protect retirees who unknowingly receive retirement plan overpayments; and
- Make it easier for employees to find lost retirement accounts by creating a national, online, database of lost accounts.

Given time constraints, next month's elections, and other priorities, the bill appears unlikely to advance this year. However with bipartisan support, the bill sets the stage for action next year regardless of election outcomes.

- [Text of the Securing a Strong Retirement Act](#)
- [Section-by-section summary](#)

- [Shorter, seven-page bill summary](#)
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