



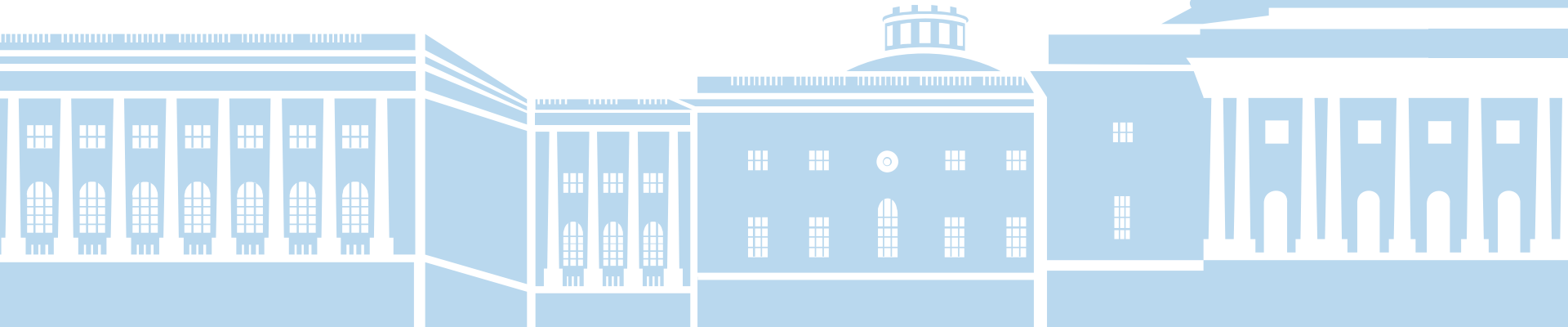
DAVIS &  
HARMAN<sub>LLP</sub>

# **EBRI-ERF Policy Forum Washington Update**

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**December 12, 2019**

**Chris Gaston, Senior Policy Director  
Davis & Harman LLP**



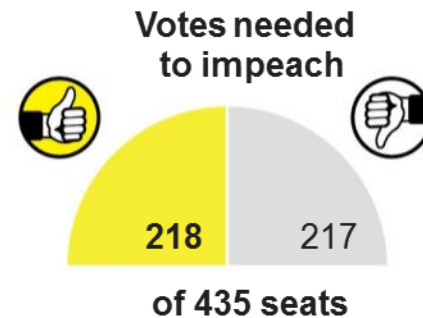
# The I-Word.....



# Impeachment: 101

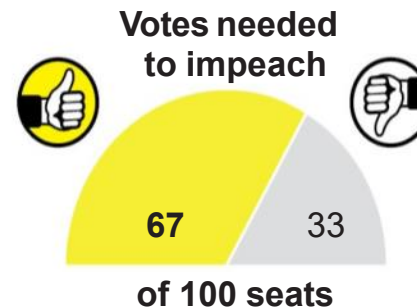
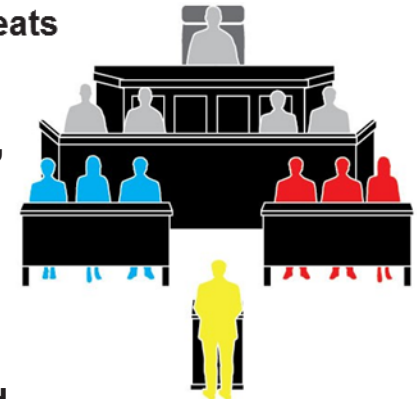
**The House votes on the selected impeachment case.**

At least 218 out of 435 votes are needed to approve any of the articles of impeachment presented by the Judiciary Committee.

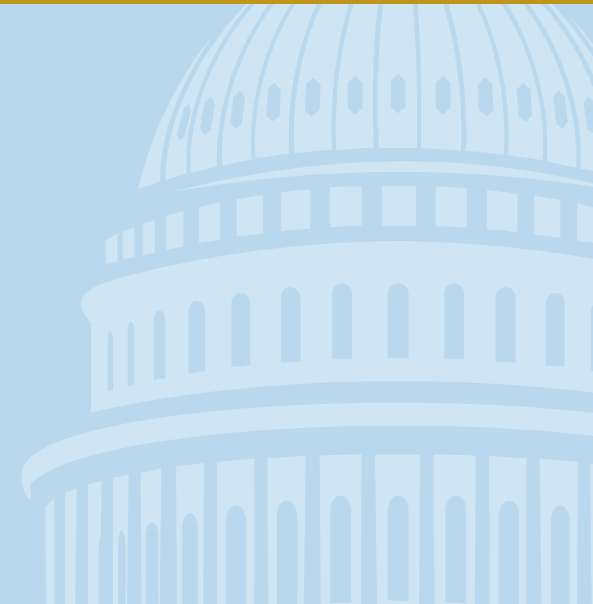


**If the House votes to impeach the president, the Senate holds an impeachment trial.**

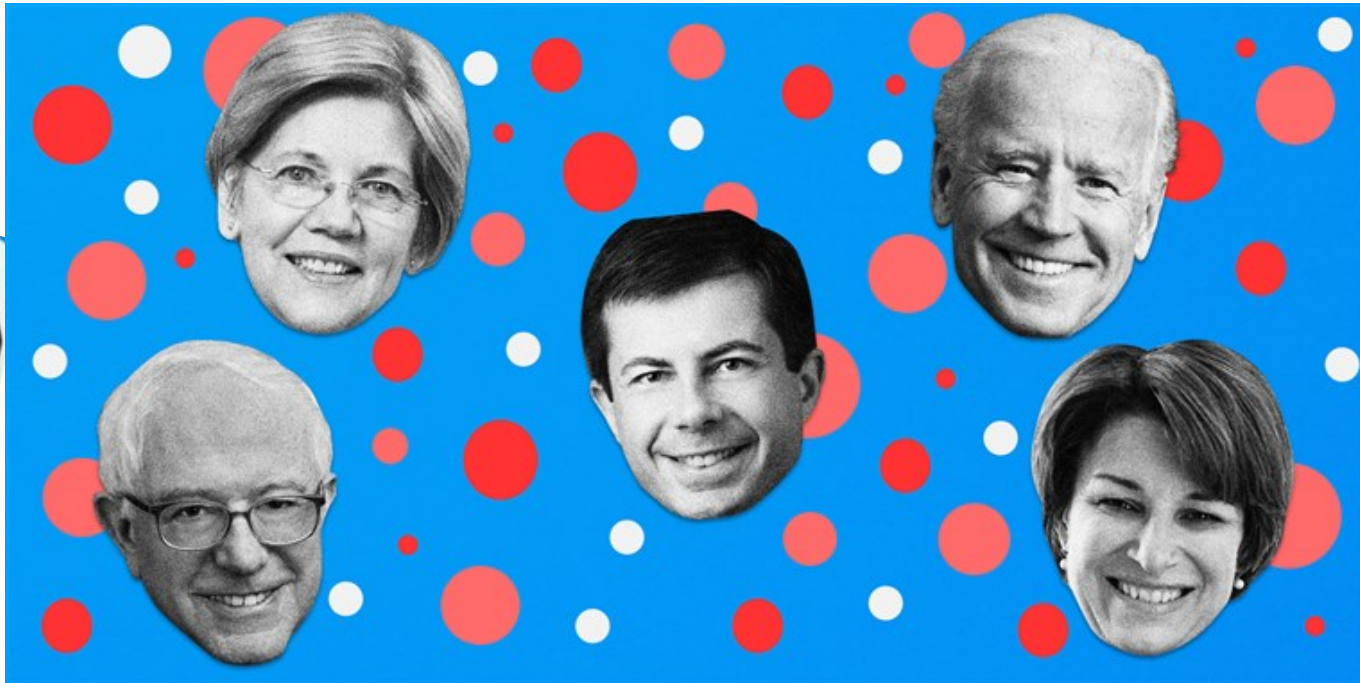
**After the trial, the Senate votes on impeachment.**



# 2020 Election Update



# 2020 is only 327 Days Away!



- ❖ Expand Social Security benefits; raise payroll taxes
- ❖ Repeal all or most of the 2017 tax reform law
- ❖ Support for financial transaction tax
- ❖ Limited set of proposals on private retirement savings



# How to Raise \$20.5 Trillion....

## Sen. Warren plan to pay for Medicare for All

- ▶ **Employer Medicare contribution (\$8.8 trillion)**
- ▶ **Additional take-home pay subject to taxes (\$1.4 trillion)**
- ▶ **Targeted taxes on financial firms (\$900 billion)**
  - **FTT (\$777 billion)** & “systemic risk fee” \$100 billion
- ▶ **Taxes on large corporations (\$2.9 trillion)**
- ▶ **Taxes on wealthy individuals (\$3 trillion)**
- ▶ **Bolster tax enforcement (\$2.3 trillion)**
- ▶ **Immigration overhaul (\$400 billion):**
- ▶ **Eliminate OCO funding (\$800 billion)**





# Mayor Pete's Plans for Retirement

## PETE'S POLICIES WILL:

**PROTECT  
SOCIAL SECURITY**

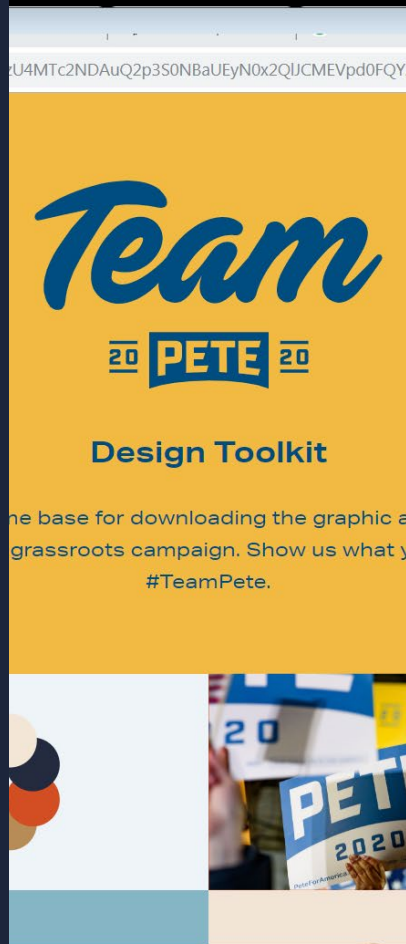
**FOR THE NEXT GENERATION  
WITHOUT CUTTING BENEFITS**

**REQUIRE  
SOCIAL SECURITY**

**TO RECOGNIZE  
CAREGIVING AS WORK**

**INCREASE  
SOCIAL SECURITY**

**BENEFITS TO KEEP VULNERABLE  
SENIORS OUT OF POVERTY**



## PETE'S PLAN WILL:

Create a portable

**PUBLIC OPTION 401(K)**

with low fees and smart investment options so workers, not financial institutions, make extra money on hard-earned savings.



Expand retirement savings among the

**62 MILLION WORKERS**

locked out of tax-preferred retirement savings.



Help American families

**WEATHER FINANCIAL  
EMERGENCIES**

with a Rainy Day Account  
within the Public Option 401(k).

# Trump's Retirement Savings Agenda

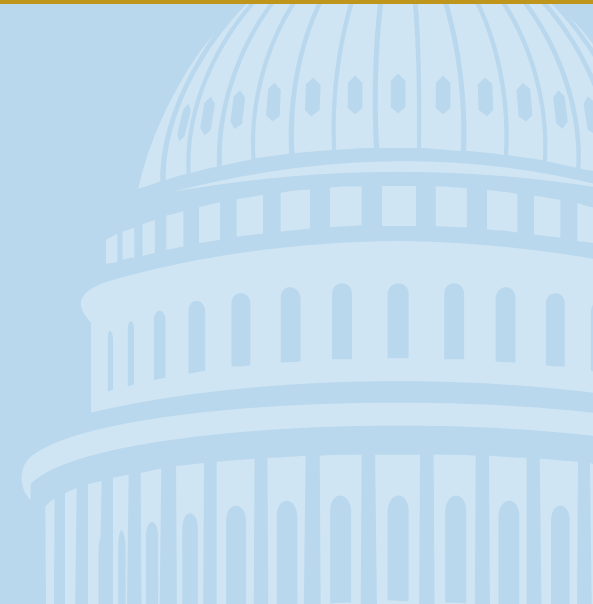
What candidate Trump said about retirement savings policy during the campaign:

1. Nothing.





# Legislative Update and Outlook



# Previously on SECURE TV....

## TAX CHANGES TO ENCOURAGE RETIREMENT SAVINGS

**LIVE**

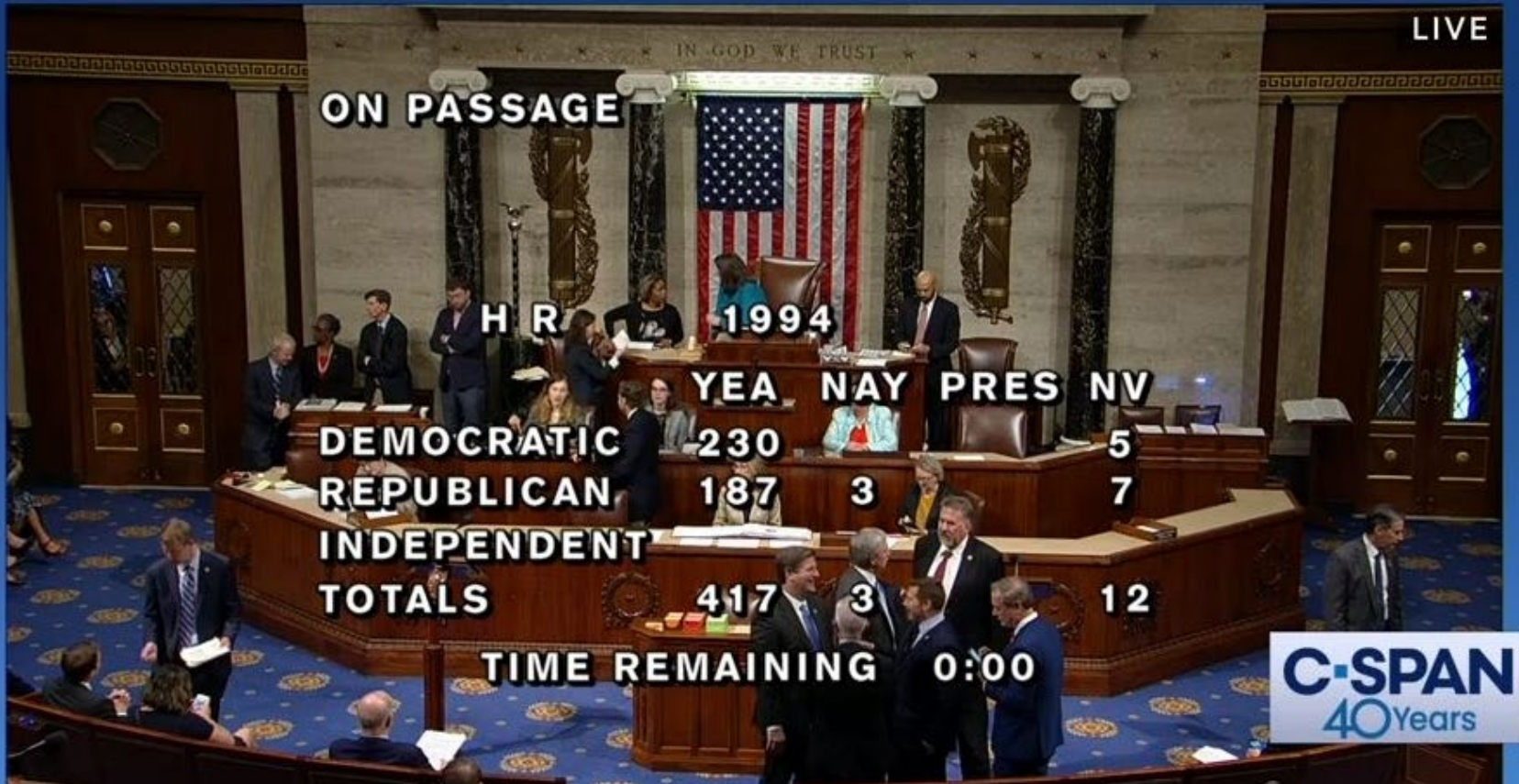
**ON PASSAGE**

**H R 1994**

	<b>YEA</b>	<b>NAY</b>	<b>PRES</b>	<b>NV</b>
<b>DEMOCRATIC</b>	230			5
<b>REPUBLICAN</b>	187	3		7
<b>INDEPENDENT</b>				
<b>TOTALS</b>	417	3		12

**TIME REMAINING 0:00**

**C-SPAN 40Years**



# What is in the SECURE Act

Approved 417-3 by the House on May 23<sup>rd</sup>



## Encouraging small businesses to have a 401(k) plan

- ▶ “Open” multiple employer plans
- ▶ Increased start-up business credits
- ▶ New tax credit for using auto features



## Encouraging lifetime income products

- ▶ Fiduciary protection for employers who select an annuity provider to offer lifetime income products
- ▶ Lifetime income disclosure on 401(k) statements
- ▶ Enhanced portability of in-plan annuities



## Encouraging and preserving savings

- ▶ Increase RMD age to 72
- ▶ Allow IRA contributions after age 70½
- ▶ Increase auto escalation cap to 15%
- ▶ Coverage for long-term part-time employees
- ▶ 529 plan expansion

# Status of Securing the SECURE Act

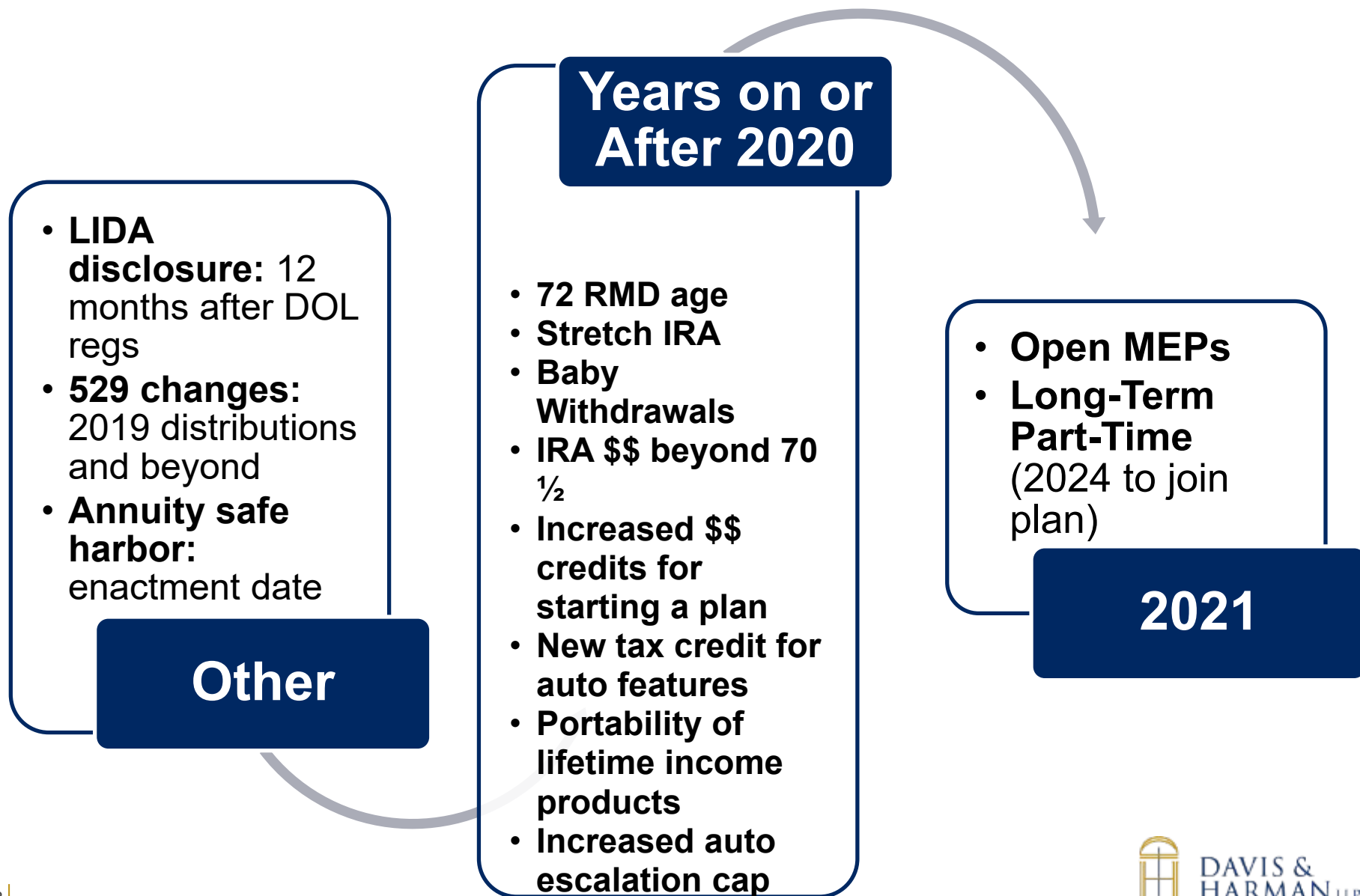
## LESSONS IN MAINTAINING THE STATUS QUO

with

*J. Monty Burns*

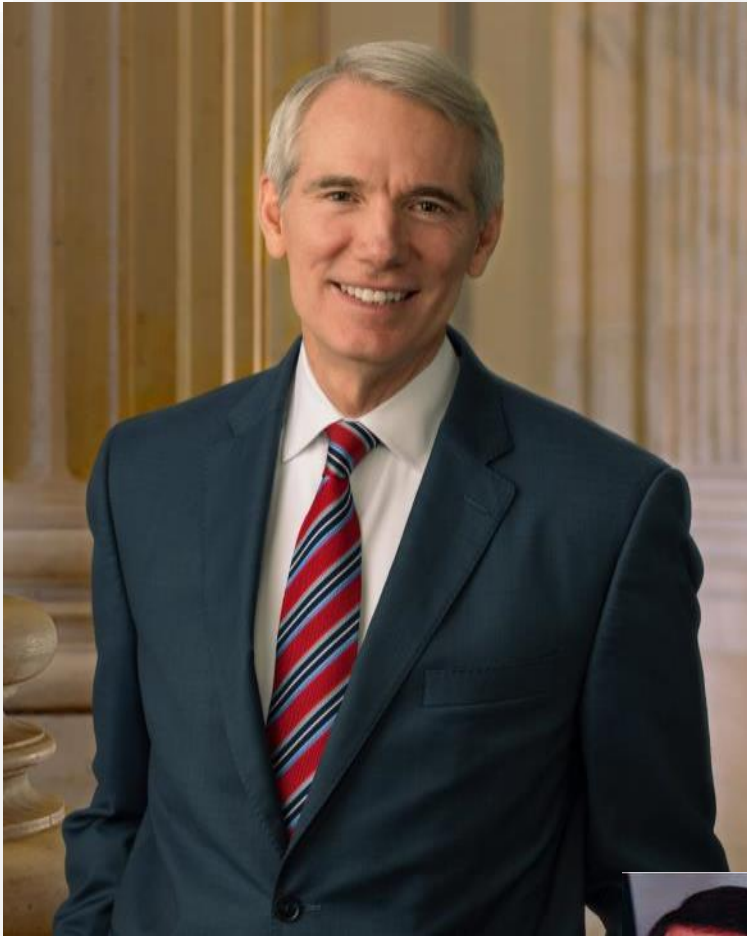


# What Changes and When

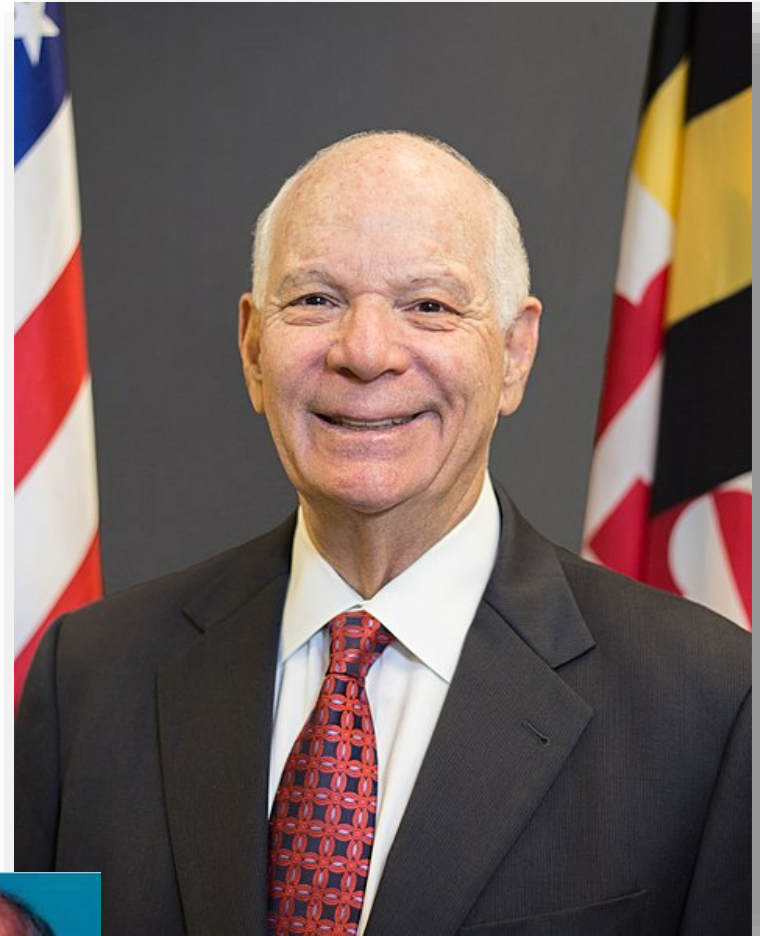




# Emerging Leaders on Retirement (Again)



**Rob Portman (R-OH)**



**Ben Cardin (D-MD)**





# The Retirement Security and Savings Act

**Introduced May 14, 2019**



## **Lifetime Income**

- QLAC Changes
- RMD Relief for Partial Annuitization
- RMD Exemption for Accounts Under 100K
- RMD Age to 75 in 2030



## **Savings Incentives**

- Credit for Plans that Adopt Re-Enrollment
- Enhanced Start-Up Credit for Small Businesses
- Expanded Saver's Credit
- Student Loan Matching



## **Plan Administration**

- Consolidated Disclosures
- Expanded Self-Correction
- Eliminate Notices for Unenrolled Participants
- Allow 403(b) Plans to Invest in CITs

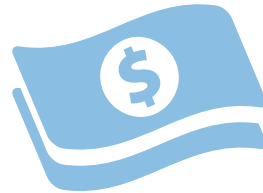
# Retirement Plan Simplification and Enhancement Act

Introduced December 1, 2017



## Lifetime Income

- QLAC Changes
- RMD Relief for Partial Annuitization
- RMD Exemption for Accounts Under 250K
- RMD Age to 73 in 2029



## Savings Incentives

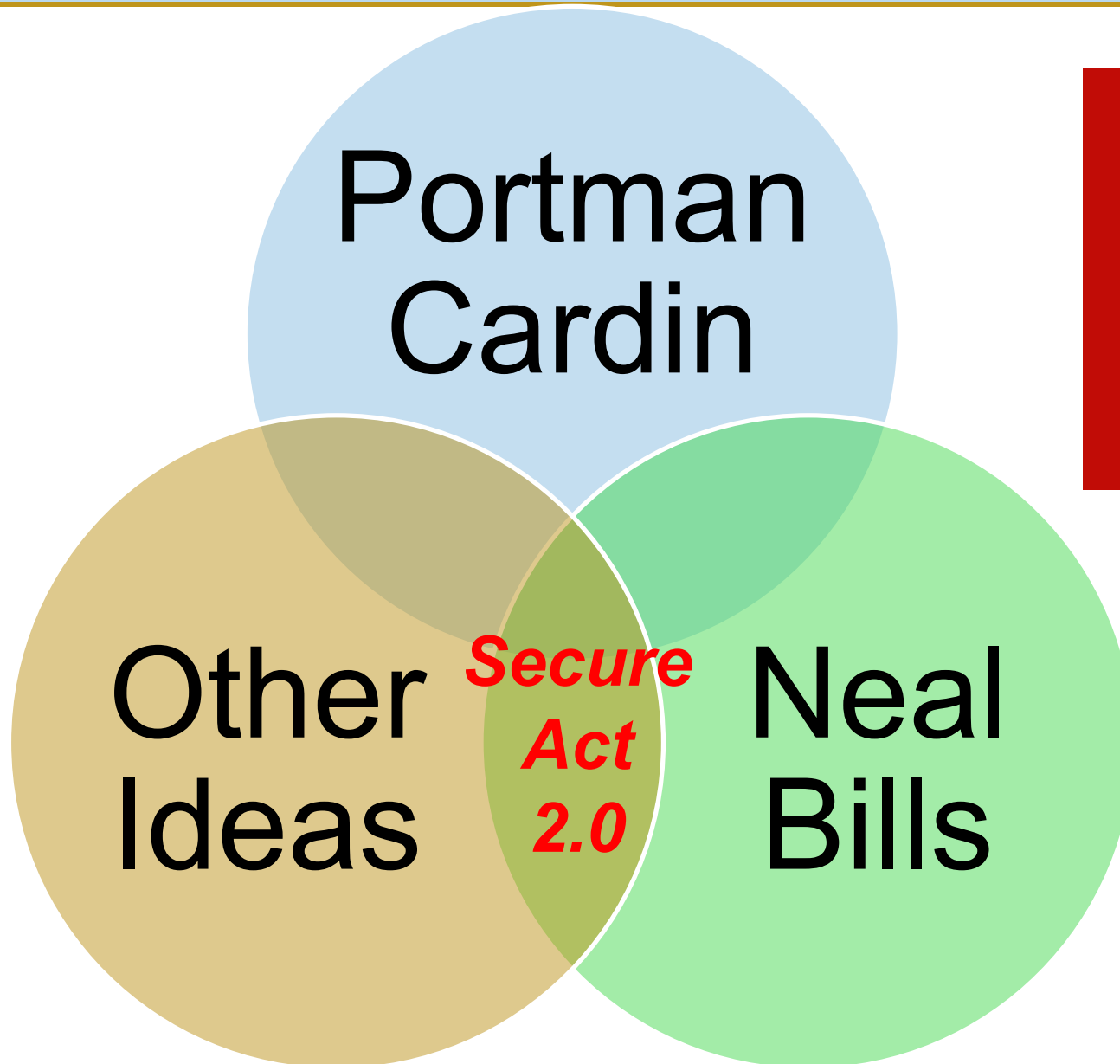
- Enhanced Start-Up Credit for Small Businesses
- Portability of Lifetime Income
- Post 70 ½ IRA contributions



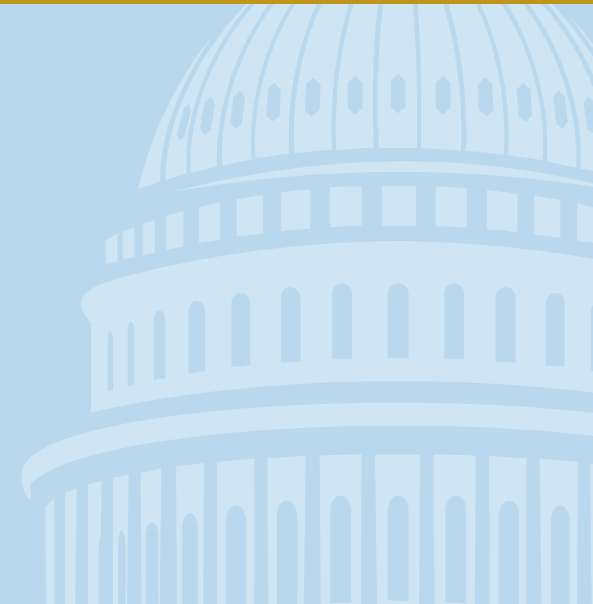
## Plan Administration

- Long-Term Part-Time Coverage
- Expanded Self-Correction
- Increase Auto Escalation Cap
- Recoupment of Overpayments

# What does 2.0 Look Like?



# Regulatory Update and Outlook



# DOL E-Delivery Safe Harbor

**Proposal Published October 23, 2019**



- **Proposed safe harbor is optional**
- **21 questions on ERISA disclosures**
- **Comments were due November 22, 2019**
- ❖ **More than 250 Comments were received**

# DOL E-Delivery Safe Harbor



## Covered Individuals

- ▶ Retirement plans only
- ▶ Must have email address or smartphone number
- ▶ Procedures for email accuracy



## Notice and Access

1. Initial Paper Notice
2. Notice of availability each time (with exception)
3. Posted online until superseded



## Right to Paper

- ▶ Participant right to:
  - ▶ individual documents
  - ▶ “some or all” documents



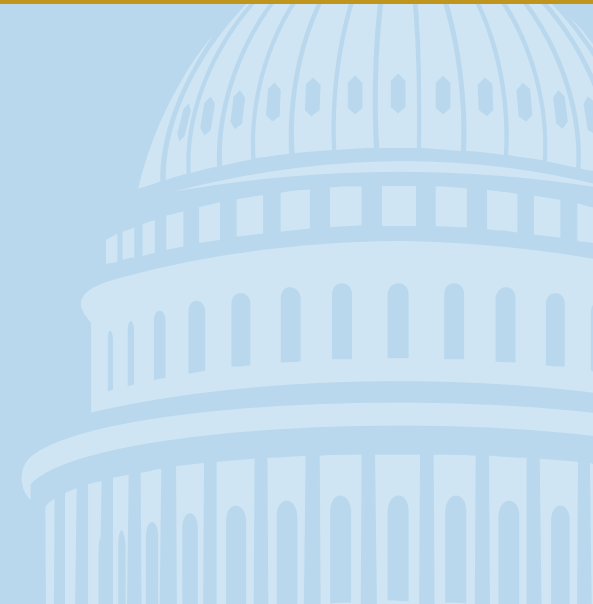
# DOL Fiduciary Re-Re-Proposal



- ▶ Targeted for end of 2019
- ▶ Implications of Secretary Scalia
- ▶ State fiduciary developments



# Short (*Shorter*)-term Outlook



# Time is short...what can get done?

## DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- ▶ 5 legislative days to keep the government open
- ▶ 5 legislative days left in 2019

# The Departure Lounge

Sections ≡

The Washington Post  
*Democracy Dies in Darkness*

Politics

## Trump's takeover of GOP forces many House Republicans to head for the exits

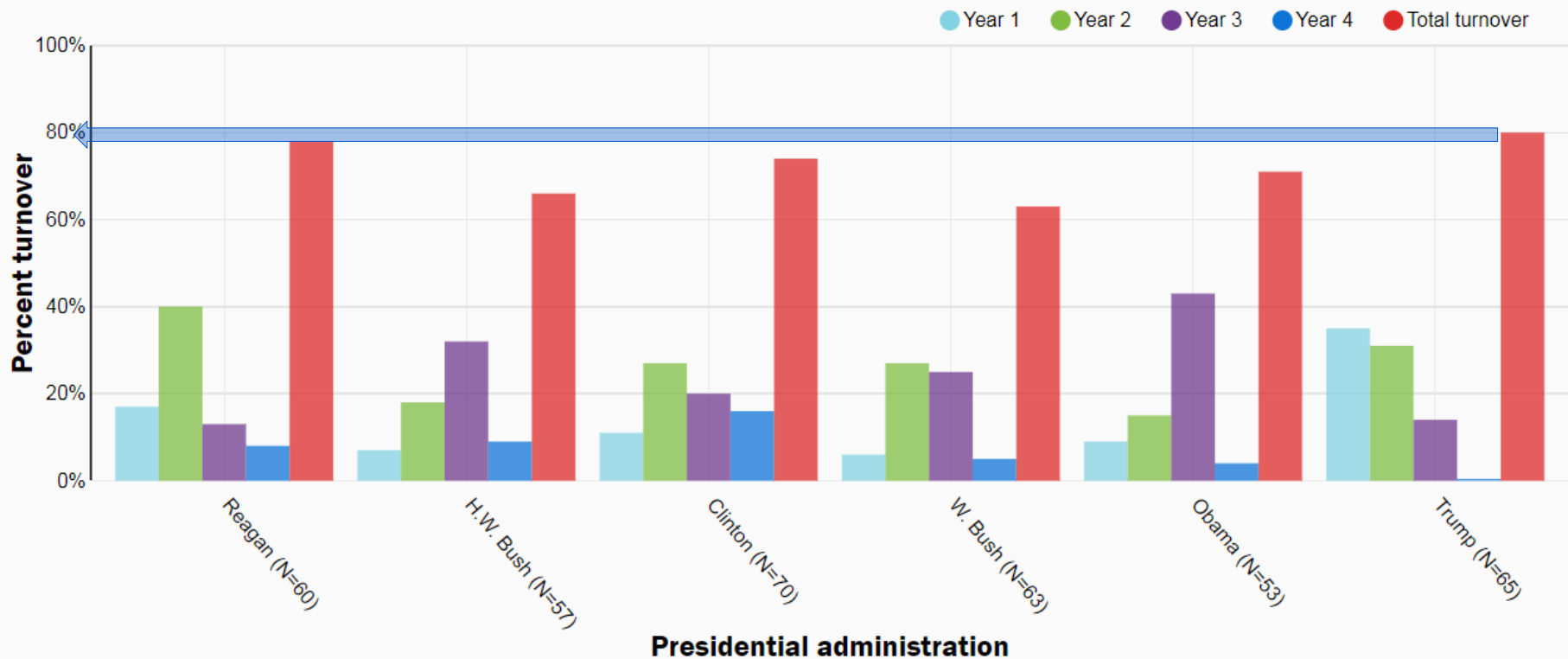


“Since Trump’s inauguration, a Washington Post analysis shows, **nearly 40 percent of the 241 Republicans who were in office in January 2017 are gone or leaving** because of election losses, retirements including former House speaker Paul D. Ryan (Wis.)...”



# Trump Administration Turnover

The president's 'A Team': Turnover from year to year





DAVIS &  
HARMAN<sub>LLP</sub>

# QUESTIONS?

**Chris Gaston**

Senior Policy Director

Davis & Harman LLP

202.662.2291

[cgaston@davis-harman.com](mailto:cgaston@davis-harman.com)

