



Legislative and Regulatory Report

A monthly review of the latest information of importance to retirement plan sponsors

February 2024

Inside this issue

Rep. Neal Re-Introduces Automatic IRA Bill	1
HELP Subcommittee Holds a Hearing on DOL's Fiduciary Rule.....	1
GAO Releases Report on 401(k) Plans	2
HELP Committee Advances Julie Su's Nomination.....	2

Rep. Neal Re-Introduces Automatic IRA Bill

On February 7, Richard Neal (D-MA), Ranking Member of the House Committee on Ways and Means introduced the [Automatic IRA Act of 2024](#). This bill mandates employers with more than 10 employees and without a retirement plan to automatically enroll their employees in individual retirement accounts (automatic IRAs) or other automatic contribution plans by 2027. The requirement is expected to be essentially costless to smaller employers, as smaller employers would be eligible for the existing startup tax credit if they adopt a plan or the proposed \$500 3-year automatic IRA tax credit if they adopt an automatic IRA (whether under state or federal law). Industry groups, including the American Council of Life Insurers (ACLI), the American Retirement Association (ARA) and Finseca, are all in support of the bill; however, without bipartisan support, the bill is unlikely to pass.

HELP Subcommittee Holds a Hearing on DOL's Fiduciary Rule

On February 15, the House Education and the Workforce Committee's Subcommittee on Health, Employment, Labor, and Pensions (HELP) held a [hearing](#) titled "Protecting American Savers and Retirees from DOL's Regulatory Overreach." The hearing focused on the Department of Labor's (DOL) proposed retirement security rule, also known as the fiduciary duty rule. During the hearing, Republicans strongly opposed the DOL's proposed retirement security rule, fearing it would limit access to financial products and advice. Republicans also criticized the DOL's rulemaking process, citing a short comment period and inadequate coordination with state regulators. Democrats, while supporting enhanced protection, criticized current regulations. They highlighted gaps in the SEC's Reg BI and the NAIC model rule. Representative Allen (R-GA) stated he will introduce a Congressional Review Act (CRA) resolution against the rule.

Tip: Click on highlighted words to go to the topic being discussed.

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Information presented in this newsletter was current and accurate as of the date of publication. This information is of a general and informational nature and is NOT INTENDED TO CONSTITUTE LEGAL OR INVESTMENT ADVICE. Rather, it is provided as a means to inform you of current information about legislative and regulatory changes and other information of interest. Plan Sponsors are urged to consult their own counsel regarding this information.

GAO Releases Report on 401(k) Plans

On February 20, The Governmental Accountability Office (GAO), released a new [report](#) titled: “401(k) Plans: Additional Federal Actions Would Help Participants Track and Consolidate Their Retirement Savings.” Highlighting the challenges Americans face in tracking and consolidating their retirement plans when changing jobs and managing multiple plans, the GAO report recommends granting authority to a federal agency to establish a pension dashboard and a system for automatic plan-to-plan rollovers. Additionally, they make recommendations to federal agencies intended to help better educate 401(k) participants about their retirement savings options when changing jobs.

HELP Committee Advances Julie Su’s Nomination

On February 27, The Senate Committee on Health, Education, Labor & Pensions (HELP) advanced Julie Su’s [nomination](#) for Secretary of Labor by a party line vote of 11 to 10. Su was previously approved by the HELP Committee in April 2023 but did not receive a full Senate confirmation vote. President Biden’s decision to renominate her this year prompted another Committee vote.

References and source material used in this publication

“Neal Introduces Automatic IRA Bill,” <https://democrats-waysandmeans.house.gov/media-center/press-releases/neal-introduces-automatic-ira-bill> (Feb. 7, 2024).

“Subcommittees on Health, Employment, Labor, and Pensions; Higher Education and Workforce Development,” <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=410108> (Feb. 15, 2024).

“401(k) Plans: Additional Federal Actions Would Help Participants Track and Consolidate Their Retirement Savings,” <https://www.gao.gov/products/gao-24-103577> (Feb. 20, 2024).

“US Senate Panel Clears Biden Labor Secretary Nominee Su Over Republican Criticism,” Daniel Wiessner, <https://www.reuters.com/legal/government/us-senate-panel-clears-biden-labor-secretary-nominee-su-over-republican-2024-02-27/> (Feb. 27, 2024).

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.



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