



Legislative and Regulatory Report

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

June 2026

Inside this issue

ACLI submits comments on DOL's alternative investments rule	1
DOL issues guidance on Trump Accounts and ERISA applicability	1
HFSC subcommittee hearing highlights INVEST Act	2
IRS provides gift tax filing relief for Trump Account contributions	2

ACLI submits comments on DOL's alternative investments rule

On June 1, the American Council of Life Insurers (ACLI) [submitted](#) comments supporting the Department of Labor's (DOL's) proposed rule on designated investment alternatives, backing the proposal's process-based safe harbor and asset-neutral approach for plan fiduciaries. ACLI also urged DOL to clarify that the safe harbor applies to guaranteed lifetime income products, including annuities, and opposed adding participant characteristics as a separate safe harbor factor.

DOL issues guidance on Trump Accounts and ERISA applicability

On June 17, The Department of Labor issued [guidance](#) clarifying that Trump Accounts and related employer contribution programs generally will not be treated as ERISA plans. DOL said the accounts typically benefit employees' dependents, not employees themselves, and therefore generally fall outside ERISA's pension plan definition. The agency added that employer involvement after the account beneficiary's growth period should remain limited and consistent with the IRA payroll-deduction safe harbor.

HFSC subcommittee hearing highlights INVEST Act

On June 25, 2026, the House Committee on Financial Services Subcommittee on Capital Markets conducted a [hearing](#) entitled, “From Wall Street to Main Street: The Future of How America Invests,” which focused on the expansion of passively managed index funds and the role of actively managed funds in the U.S. capital markets. During the hearing, the Subcommittee heard from five invited witnesses who discussed the role of actively managed funds and passively managed funds and the impact of each for retail and retirement investors. During the hearing, nearly all Subcommittee members in attendance emphasized the need for the Senate to pass the INVEST Act ([H.R. 3383](#)), the broad capital formation package that passed the House in December 2025 with the inclusion of a provision providing investment parity to 403(b) plans.

IRS provides gift tax filing relief for Trump Account contributions

On June 29, Treasury and the IRS issued Revenue Procedure [2026-25](#) providing a safe harbor under which certain contributions by individual donors to Trump Accounts will not be subject to gift tax reporting requirements for that year, if specified conditions are met. The agencies said the relief is intended to address concerns that contributions from friends and family could otherwise trigger gift tax filing obligations and reduce that burden on taxpayers funding the accounts.

References and source material used in this publication

“EBSA-2026-0166-0001, American Council of Life Insurers (ACLI),” [regulations.gov/comment/EBSA-2026-0166-46895](#) (June 2, 2026).

“Technical Release 2026-02: Trump Accounts,” [dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/26-02](#) (June 17, 2026).

“Hearing Entitled: ‘From Wall Street to Main Street: The Future of How America Invests’” [financialservices.house.gov/calendar/eventsingle.aspx?EventID=411135](#) (June 25, 2026).

“H.R.3383 - Incentivizing New Ventures and Economic Strength Through Capital Formation Act of 2025,” [congress.gov/bill/119th-congress/house-bill/3383/text](#) (May 14, 2025).

“Treasury, IRS provide safe harbor for certain contributions to Trump Accounts under the Working Families Tax Cuts,” [irs.gov/newsroom/treasury-irs-provide-safe-harbor-for-certain-contributions-to-trump-accounts-under-the-working-families-tax-cuts](#) (June 29, 2026).

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](#).



Nationwide and the Nationwide N and Eagle are service marks of Nationwide Mutual Insurance Company. © 2026 Nationwide NRM-23397AO (07/26)

2

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

FOR PLAN SPONSOR USE

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.