NEWS RELEASE

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ICI Applauds House Passage of Major Retirement Legislation

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Washington, DC; May 23, 2019—Investment Company Institute (ICI) President and CEO Paul Schott Stevens issued the following statement after the US House of Representatives today passed H.R. 1994, the Setting Every Community Up for Retirement Enhancement Act, also known as the SECURE Act:

“This important bipartisan bill provides more tools for American families to save for and achieve a financially secure retirement. ICI applauds the hard work and leadership of Chairman Neal and Ranking Member Brady in moving this significant legislation forward. Changes like expanding multiple employer plans and raising the auto-enrollment safe harbor cap build on policies that are proven to work for our nation’s savers. Reforms such as repealing the maximum age for making traditional IRA contributions and increasing the age required for mandatory distributions will help align policy with the reality that people are living longer today.

“As the Senate considers its version of the bill and final legislation is negotiated, ICI strongly urges lawmakers to broaden the lifetime income disclosure provision so that it does not favor one retirement product over others. As currently written, the provision would provide a federal safe harbor solely to annuity illustrations based on current account balances, ignoring other important and valuable disclosure methodologies in use today. Such an illustration could mislead and discourage young, low-balance savers.”

Highlights of the SECURE Act include:

- allowing companies—regardless of industry—to join together to form multiple employer 401(k) plans;
- increasing the auto-enrollment safe harbor cap from 10 percent to 15 percent;
- simplifying the nonelective contribution 401(k) safe harbor by providing notice and amendment flexibility;
- treating certain taxable non-tuition fellowship and stipend payments as compensation for IRA purposes, thus making it easier for individuals receiving such payments to save through an IRA;
- repealing the maximum age (now 70½) for making traditional IRA contributions;
- increasing the age at which required minimum distributions (RMDs) must start from 70½ to 72;
- expanding the types of education costs that are coverable by 529 plans; and
- increasing the credit limit for small employer start-up costs and creating a new auto-

enrollment credit to defray associated start-up costs.