



Legislative and Regulatory Report

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

April 2023

Inside this issue

Debt limit standoff continues	Below
Senate HELP approves Julie Su nomination for Secretary of Labor	Below
Lawmakers question SEC Chair on Swing Pricing/Hard Close rule	Page 2
Bipartisan congressional tax writers express concerns with Swing Pricing/Hard Close rule	Page 2
Financial Services Committee considers 403(b) CIT fix	Page 2

Debt limit standoff continues

On April 27, the House passed [HR 2811](#), the Limit, Save, Grow Act, by a vote of 217-215. The proposal, supported by House Republicans, raises the debt limit and reduces government spending. The bill is not intended to become law, but instead to increase pressure on President Biden and Congressional Democrats to negotiate. Republicans are seeking fiscal policy changes to pair with a debt limit increase, but Democrats say they won't bargain on such conditions. The U.S. reached the federal debt limit on January 19, but Treasury is currently using "extraordinary measures" to maximize the length of time before the government defaults. Treasury has indicated that the "X date" — when the government would default on its debt absent Congressional action — to be in June, but the actual date is [likely to be later this summer](#).

Senate HELP approves Julie Su nomination for Secretary of Labor

On April 26, the Senate Health, Education, Labor and Pensions (HELP) Committee voted to favorably report the nomination of Deputy Secretary of Labor Julie Su to become the 30th Secretary of Labor by a vote of 11-10. The next steps for Su's confirmation process remain unclear. Su was previously confirmed to her current position by a party line vote of 50-47. Although Democrats control the Senate by a slim majority, confirmation is far from assured.

Lawmakers question SEC Chair on Swing Pricing/Hard Close rule

On April 18, the House Financial Services Committee held an oversight [hearing](#) of the SEC with Chair Gary Gensler. The hearing offered committee members the opportunity to ask Chair Gensler questions on a number of recent regulatory developments and rulemaking activities by the SEC, including the SEC's proposed Swing Pricing/Hard Close rule. Gensler received bipartisan pushback from Committee Democrats and Republicans who voiced concern over the SEC's swing pricing proposal and specifically raised concerns about the implementation of a "4 p.m. hard close" for mutual funds.

Bipartisan congressional tax writers express concerns with Swing Pricing/Hard Close rule

On April 20, the Chairs and Ranking Members of the Senate Finance and House Ways and Means Committee sent a letter to SEC Chair Gensler expressing deep concerns about the hard close proposal's impact on retirement savers. Among other critical comments, [they wrote](#) that under the SEC's proposed changes "...retirement plan participants will be harmed through no fault of their own..." and highlighted how the SEC would "create a two-tiered system that would disadvantage a significant percentage of investors."

Financial Services Committee considers 403(b) CIT fix

On April 19, the House Financial Services Committee held a [legislative hearing](#) titled, "A Roadmap for Growth: Reforms to Encourage Capital Formation and Investment Opportunities for All Americans." Among the bills considered was [draft legislation](#) to amend the federal securities laws to allow collective investment trusts in 403(b) plans. The legislation would fix a provision from SECURE 2.0 that aimed to expand the use of CITs, but ultimately didn't include necessary securities law changes. The provision was later included in a legislative package set to be marked up and approved by the Committee on April 26. The provision was ultimately pulled from the package, but might be considered by the Committee later.

References and source material used in this publication

"H.R. 2811 - Limit, Save, Grow Act of 2023." [H.R.2811 - 118th Congress \(2023-2024\): Limit, Save, Grow Act of 2023 | Congress.gov | Library of Congress](https://www.congress.gov/bills/118/2811) (April 2023).

"Goldman Sachs sees late July deadline for hiking debt limit." [Goldman Sachs sees late July deadline for hiking debt limit - POLITICO](https://www.politico.com/news/2023/04/26/goldman-sachs-debt-limit/) (April 26, 2023).

"Hearing entitled: Oversight of the Securities and Exchange Commission." [financialservices.house.gov/calendar/eventsingle.aspx?EventID=408690](https://www.financialservices.house.gov/calendar/eventsingle.aspx?EventID=408690) (April 18, 2023).

"Letter to SEC Chairman Gensler" [s72622-20164968-334481.pdf \(sec.gov\)](https://www.sec.gov/spotlight/20230420-20164968-334481.pdf) (April 20, 2023).

"Hearing entitled: A Roadmap for Growth: Reforms to encourage capital formation and investment opportunities for all Americans." Subcommittee on Capital Markets [financialservices.house.gov/calendar/eventsingle.aspx?EventID=408692](https://www.financialservices.house.gov/calendar/eventsingle.aspx?EventID=408692) (April 19, 2023).

"Discussion draft: To Amend the Federal securities laws to enhance 403(b) annuity plans, and for other purposes." [docs.house.gov/meetings/BA/BA16/20230419/115754/BILLS-118pih-amendtheFederalsecuritieslawstoenhance403bannuityplansandforotherpurposes.pdf](https://www.docs.house.gov/meetings/BA/BA16/20230419/115754/BILLS-118pih-amendtheFederalsecuritieslawstoenhance403bannuityplansandforotherpurposes.pdf) (April 19, 2023).

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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3

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