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Ways and Means leaders introduce SECURE Act 2.0

On October 27, Ways and Means Committee Chairman Richie Neal (D-MA) and Ranking Member Kevin Brady (R-TX) introduced HR 8696, the [Securing a Strong Retirement Act of 2020 \(SSRA\)](#) — the long-awaited follow-up to the SECURE Act.

SSRA includes more than 30 provisions designed to:

- Improve access to workplace retirement plans
- Preserve savings through retirement
- Promote lifetime income options
- Make technical fixes to the nation’s retirement system

Notably, the bill shares many provisions with Portman-Cardin ([S.1431](#), Retirement Security and Savings Act of 2019). SSRA and Portman-Cardin are not expected to advance this year, but the bills will serve as the foundation for retirement security policy in the 117th Congress ('21-'22). Both the House and Senate “Secure 2.0” bills are bipartisan, supported by leadership and share many of the same provisions.

House members introduce bill to provide natural disaster tax relief

On September 29, Reps. Mike Thompson (D-CA), Earl Blumenauer (D-OR) and Abby Finkenauer (D-IA) introduced [HR 8440](#), the Disaster Tax Relief Act of 2020, to provide additional tax relief for those impacted by natural disasters. Specifically, it creates special disaster-related rules for use of retirement funds. This provision provides an exception to the 10 percent early retirement plan

withdrawal penalty for certain qualified disaster relief distributions (not to exceed \$100,000 in qualified distributions cumulatively). It allows for the re-contribution of retirement plan withdrawals for home purchases cancelled due to eligible disasters and provides flexibility for loans from retirement plans for certain qualified disaster relief. Additionally, the bill creates:

- An employee retention credit for employers affected by qualified disasters
- Special rules for qualified disaster-related personal casualty losses
- Special rule for determining earned income for taxpayers whose 2020 income was disaster-impacted
- Temporary suspension of limitations on charitable contributions

Lawmakers introduce bill to expand access to PEPs

On October 16, Reps. Ron Kind (D-WI), Mike Kelly (R-PA) and Jason Smith (R-MO) introduced the [HR 8606](#), Savings for All Vocations Enhancement (SAVE) Act.

The bill enables 403(b) plans to utilize Open Multiple Employer Plans (or Pooled Employer Plans as established by the SECURE Act), which would allow 403(b) plans for workers from nonprofits such as hospitals, school districts and churches to pool their retirement investments together, creating better opportunities and security for their retirements.

In addition, the bill would incentivize S Corporations to convert to an Employee Stock Ownership Plan (ESOP) structure. The bill would also bring retirement account (IRA) penalties to be in line with those of 401(k)s.

Senator introduces bill to allow retirement funds to pay for LTC

On October 20, Sen. Pat Toomey (R-PA) introduced [S. 4820](#), the Long-Term Care Affordability Act, to allow individuals to take distributions up \$2,500 without a tax penalty from their 401(k), 403b or IRA to pay for long-term care insurance.

Sen. Toomey first suggested the idea at a Senate Finance Committee hearing in 2019 that explored the barriers to diagnosis, treatment and care for Alzheimer's patients.

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References and source material used in this publication

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Securing a Strong Retirement Act Detailed Section-by-Section Description

https://republicans-waysandmeansforms.house.gov/uploadedfiles/ssra_section_by_section.pdf?utm_campaign=203496-211

S.1431 - Retirement Security and Savings Act of 2019

<https://www.congress.gov/bill/116th-congress/senate-bill/1431>

HR 8440, the Disaster Tax Relief Act of 2020

<https://www.congress.gov/bill/116th-congress/house-bill/8440>

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HR 8606, Savings for All Vocations Enhancement (SAVE) Act.

<https://www.congress.gov/bill/116th-congress/house-bill/8606>

S. 4820, the Long-Term Care Affordability Act

<https://www.congress.gov/bill/116th-congress/senate-bill/4820>

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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.

About this report

BOB BEASLEY, CRC, Communications Consultant, edits this report. Beasley brings more than 30 years of financial services communications experience to your plan. He has contributed to past editions of the *Governmental 457(b) Guidebook*, edits countless newsletters and plan sponsor communications, and in 2001 authored “What you should know about the Economic Growth and Tax Relief Reconciliation Act of 2001.” He often voices Nationwide’s online presentations.

Beasley has served on the Education and Communication Committee for the Plan Sponsor Council of America and as a member of the National Association of Government Defined Contribution Administrators.

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