

SECURE 3.0 - We Want YOU to Be a Retirement Champion!

Retirement security is one of the most bipartisan, tangible ways Congress can improve the financial future of American families. The *Setting Every Community Up for Retirement Enhancement (SECURE) Act* in 2019 and the *SECURE 2.0 Act* in 2022 delivered real progress—but there is still more work to do.

PROVEN SUCCESS: BUILDING ON SECURE & SECURE 2.0

The SECURE Act expanded access to workplace retirement plans, raised the required minimum distribution (RMD) age, and allowed long-term part-time workers to save for retirement. The SECURE 2.0 Act added:

- ✓ Requiring automatic enrollment in new plans;
- ✓ Creating a Saver's Match for low- and middle-income workers;
- ✓ Expanding incentives for small employers to offer a retirement plan; and
- ✓ Allowing small balances to automatically follow a saver from one employer plan to another.

The result? More workers saving earlier, saving more, and staying in plans longer. But there remains further opportunities to shrink the coverage gap and encourage workers to save even more for retirement.

OPPORTUNITIES FOR ENHANCEMENT

- 💡 **Support our smallest businesses in adopting retirement plans.** For many small businesses, the cost of setting up and running a retirement plan remains a major hurdle—and the existing retirement plan startup tax credit does not sufficiently offset that challenge.
- 💡 **Encourage 401(k) plans to pay out steady, guaranteed income during retirement like defined benefit plans.** Even if employers wanted to offer a pension plan alongside a 401(k) plan, outdated regulations currently make it difficult for them to offer both.
- 💡 **Allow workers to roll their Roth IRA savings into workplace-based Roth retirement plans.** The current Tax Code prohibitions on this form of rollover results in duplicative fees inherent in maintaining multiple accounts and increased retirement savings leakage.

SECURE 3.0: TARGETED SOLUTIONS FOR A MODERN WORKFORCE

Congress can work in a bipartisan manner to advance policies that strengthen the employer-sponsored retirement system. Your leadership on a SECURE 3.0 package would address real economic concerns of your constituents and build on a legislative legacy that is already changing lives. Enhancements include—

1. **Expanding Adoption of Retirement Plans**, such as increasing the retirement plan startup tax credit and reducing out of pocket startup costs by permitting reassignment of the credit to a service provider.
2. **Elevating Pensions**, which protect workers nearing retirement, by allowing safe harbor employer contributions (such as the employer match) to be provided through a cash balance plan.
3. **Equalizing Options and Incentives for Non-Profit Retirement Plans**, by allowing tax-exempt entities to claim the SECURE 2.0 retirement plan startup credits. *E.g., Small Nonprofit Retirement Security Act, S. 4965, 118th Cong., awaiting reintroduction this Congress.*
4. **Ending Leakage**, by permitting rollovers from Roth IRAs to designated Roth accounts in employer plans. *E.g., H.R. 6757, 118th Cong., awaiting reintroduction this Congress.*

The American Retirement Association (ARA) is a non-profit education organization for retirement plan professionals. Our mission is to support policies that give every working American the ability to have a comfortable retirement.