# Top Post-Election Retirement Policy Observations

Four key issues that could impact your plan in 2019.

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The 2018 mid-term elections are in the rearview mirror and a divided Congress will be seated in January. The new political landscape upends the retirement policy dynamic in Washington and makes it likely that significant retirement legislation will remain on the radar. Heading into the new Congress, there are four key issues for plan sponsors to keep in mind.

1. **Retirement policy may take center stage in the House Ways and Means Committee in 2019.**
Rep. Richard Neal (D-Mass.) will be the next Chairman of the House Ways and Means Committee in the next Congress. Mr. Neal is one of a handful of lawmakers who can be considered a true "retirement policy wonk." Mr. Neal is a longtime advocate of automatic IRA proposals and other legislation designed to increase the number of individuals with access to employer-provided retirement plans.

2. **The prospects for bipartisan retirement legislation are good.**
There is broad, bipartisan support in Congress for the Retirement Enhancement and Savings Act ("RESA"), which would expand the availability of multiple employer plans, facilitate in-plan lifetime income options, and simplify plan administration. The bill was unanimously approved by the Senate Finance Committee in 2016, and the House companion bill sponsored by Reps. Mike Kelly (R-Pa.) and Ron Kind (D-Wis.) has 85 cosponsors. Unfortunately, RESA has been bogged down by procedural and policy disagreements this year, though the House did recently pass the Family Savings Act ("FSA").
The FSA shares some common components with RESA (e.g., multiple employer plan expansion) but also has major differences. For example, the FSA included potentially controversial proposals like the creation of "universal savings accounts" (i.e., tax-favored savings accounts with no withdrawal restrictions) and the expansion of 529 accounts to cover home schooling and other expenses, while omitting key provisions from RESA, such as new tax credits for small business plans, lifting the cap on auto-enrollment plans, and requiring lifetime income disclosure.
In the next Congress, the prospects for passage of bipartisan retirement legislation like RESA are good, given continuing support in both the House and Senate.

3. **There is a growing momentum among Democrats for Social Security expansion.**
Social Security is one of the most popular social programs, and the Democratic caucus has largely coalesced around a policy of increasing benefits and improving the program's fiscal solvency. In 2015, 42 out of 46 Senate Democrats voted in favor of a budget amendment supporting Social Security expansion, and in September, 150 Democratic members of Congress joined together to create the Expand Social Security caucus. It seems likely that House leadership will seriously consider Social Security expansion legislation in the next Congress.

4. **The Administration is poised to move retirement policy by regulation and guidance.**
To date, retirement policy has largely taken a backseat to health-care issues and tax reform implementation in the Administration. However, President Trump recently signed an executive order prioritizing several retirement policies. In response, the Department of Labor quickly proposed regulations intended to expand the use of multiple employer plans, and the agency is considering options to streamline disclosures, including potential new rules regarding electronic delivery. The Treasury Department and Internal Revenue Service are also considering guidance related to multiple employer plans and required minimum distributions.

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