

Washington Watch

House Passes Bipartisan Retirement Reform Legislation

The SECURE Act now faces an uncertain future in the Senate.

By David Levine, Diana McDonald, and Brigen Winters

On Thursday, May 23, the House overwhelmingly passed the *Setting Every Community Up for Retirement Enhancement Act of 2019* (the “SECURE Act,” H.R. 1994) on a vote of 417-3. Its passage marks significant progress for retirement legislation after years of negotiations among lawmakers and various retirement industry groups. However, the bill still faces hurdles in the Senate that could delay or prevent enactment.


The SECURE Act retains the key provisions of the *Retirement Enhancement and Savings Act* (“RESA,” H.R. 1007), which was unanimously passed by the Senate Finance Committee in 2016, including permitting “open” multiple employer plans and creating a fiduciary safe harbor for in-plan lifetime income options. RESA never received a vote in the full Senate, despite bipartisan support. As part of GOP leadership’s second round of tax reform bills in 2018, many of RESA’s key provisions were included in the Family Savings Act (“FSA,” H.R. 6757). This spring, Ways and Means Committee Chairman Richard Neal (D-MA) introduced a new version of RESA — renamed the SECURE Act — adding a few provisions from the FSA and new provisions. The Ways and Means Committee passed the SECURE Act by voice vote on April 2.

The SECURE Act passed by the House on May 23 is similar to the bill approved the Ways and Means



Committee in April, with two notable changes. First, the House-passed bill removed a provision permitting tax-favored 529 college savings plans to be used for certain homeschooling school expenses in the face of strong opposition from public school advocacy groups and teachers’ unions. The House-passed bill would still expand 529s to be used for apprenticeship program expenses and qualified student loan repayments. Second, the House-passed bill added a provision to correct a provision of the Tax Cuts and Jobs Act that resulted in additional taxes on children of military members and first responders killed in the line of duty.

Senate leadership is now considering whether and how to move the SECURE Act forward. At this point, it appears unlikely that Majority Leader McCon-

nell will bring the bill up for a vote this year, so Senate leadership is attempting to move the bill via unanimous consent, which is only possible if no Senator objects. Currently, there are a number of holds as Senators raise objections both related and unrelated to the bill. Senate Finance Republicans continue to search for a way forward and may consider attaching the SECURE Act to a larger, must-pass bill, such as the spending bill later this year, but at this time, a path forward remains elusive. 

David Levine is a Principal at Groom Law Group, Chartered.

Diana McDonald is a Senior Policy Advisor at Groom Law Group, Chartered.

Brigen Winters is a Principal at Groom Law Group, Chartered.