

Union Calendar No. 471

117TH CONGRESS
2^D SESSION

H. R. 7310

[Report No. 117-557, Part I]

To protect America's retirement security, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2022

Mrs. MCBATH (for herself, Mr. SCOTT of Virginia, Mrs. WATSON COLEMAN, Mr. COURTNEY, Ms. UNDERWOOD, and Ms. MANNING) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

NOVEMBER 14, 2022

Reported from the Committee on Education and Labor with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

[Referral to the Committee on Ways and Means, extended grace period ending not later than January 2, 2023]

[For text of introduced bill, see copy of bill as introduced on March 31, 2022]

NOVEMBER 14, 2022

Referral to the Committee on Ways and Means extended for a period ending not later than January 2, 2023

DECEMBER 20, 2022

Additional sponsors: Mr. LEVIN of Michigan, Ms. LEGER FERNANDEZ, Mr. SABLAN, Mr. MFUME, Ms. BONAMICI, Mr. MRVAN, Mr. TAKANO, Mr. ESPAILLAT, Mr. DESAULNIER, Ms. STEVENS, and Mr. POCAN

DECEMBER 20, 2022

Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 31, 2022]

A BILL

To protect America's retirement security, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Pro-*
5 *tecting America’s Retirement Security Act of 2022”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Defined contribution plan fee disclosure improvements.

Sec. 3. Personal finance education portal.

Sec. 4. Increasing spousal protection under defined contribution plans.

Sec. 5. Automatic reenrollment.

Sec. 6. Employee Ownership and Participation Initiative.

Sec. 7. Refund to Rainy Day Savings Program.

8 **SEC. 2. DEFINED CONTRIBUTION PLAN FEE DISCLOSURE**

9 **IMPROVEMENTS.**

10 *Not later than 2 years after the date of enactment of*
11 *this Act, the Secretary of Labor shall review section*
12 *2550.404a-5 of title 29, Code of Federal Regulations, and*
13 *explore how the content and design of the covered disclosures*
14 *may be improved to enhance participants’ understanding*
15 *of fees and expenses as well as the cumulative effect of fees*
16 *and expenses on retirement savings over time. As part of*
17 *such review, the Secretary shall conduct outreach to stake-*
18 *holders, including those representing plan sponsors and re-*
19 *tirement plan participants.*

20 **SEC. 3. PERSONAL FINANCE EDUCATION PORTAL.**

21 (a) *IN GENERAL.*—*Not later than 3 years after the*
22 *date of enactment of this Act, the Secretary of Education,*

1 *in consultation with the Director of the Bureau of Con-*
2 *sumer Financial Protection, the Secretary of the Treasury*
3 *as chair of the Financial Literacy and Education Commis-*
4 *sion, and the Commissioner of Internal Revenue, shall cre-*
5 *ate a personal finance education portal on a centralized*
6 *and publicly available website of the Department of Edu-*
7 *cation pertaining to Federal financial aid for voluntary use*
8 *by recipients of aid awarded under title IV of the Higher*
9 *Education Act of 1965.*

10 (b) *CONTENT OF PERSONAL FINANCE EDUCATION*

11 *PORTAL.—The personal finance education portal created*
12 *under subsection (a) shall include information on personal*
13 *finance concepts, including the following:*

14 (1) *Core personal finance concepts, such as earn-*
15 *ing, saving, investing, spending, and borrowing, in-*
16 *cluding—*

17 (A) *the concept of compound growth as it*
18 *applies to savings and retirement savings, with*
19 *information about the different types of retire-*
20 *ment savings accounts; and*

21 (B) *budgeting and credit usage.*

22 (2) *Managing student loan repayment, includ-*
23 *ing—*

1 (A) *the interaction between savings and re-*
2 *tirement decisions and Federal student loan re-*
3 *payment plans;*

4 (B) *Federal student loan discharge or for-*
5 *givenness options;*

6 (C) *the types of voluntary benefits employ-*
7 *ers may use to help workers while they are pay-*
8 *ing down student loan debt;*

9 (D) *tax credits or deductions that are rel-*
10 *evant to student loan borrowers in repayment;*
11 *and*

12 (E) *any other Federal policies that signifi-*
13 *cantly impact student loan borrowers in repay-*
14 *ment, as determined by the Secretary.*

15 (3) *Any other personal finance concepts deter-*
16 *mined relevant by the Secretary of Education, in con-*
17 *sultation with the Director of the Bureau of Con-*
18 *sumer Financial Protection, the Secretary of the*
19 *Treasury as chair of the Financial Literacy and*
20 *Education Commission, and the Commissioner of In-*
21 *ternal Revenue.*

22 (c) *PROVISION OF CONTENT.—The personal finance*
23 *content included under subsection (b) may be provided in*
24 *an interactive format through text or video.*

1 (d) *ANALYTICS.*—*The Secretary of Education, in con-*
 2 *sultation with the Director of the Bureau of Consumer Fi-*
 3 *ancial Protection, the Secretary of the Treasury as chair*
 4 *of the Financial Literacy and Education Commission, and*
 5 *the Commissioner of Internal Revenue, shall review not less*
 6 *than once every three years the utilization of the portal,*
 7 *make recommendations to improve the portal, and make*
 8 *such findings and recommendations publicly available.*

9 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 10 *authorized to be appropriated such sums as may be nec-*
 11 *essary to carry out this section.*

12 **SEC. 4. INCREASING SPOUSAL PROTECTION UNDER DE-**
 13 **FINED CONTRIBUTION PLANS.**

14 (a) *AMENDMENTS TO EMPLOYEE RETIREMENT IN-*
 15 *COME SECURITY ACT OF 1974.*—

16 (1) *IN GENERAL.*—*Part 2 of subtitle B of title I*
 17 *of the Employee Retirement Income Security Act of*
 18 *1974 (29 U.S.C. 1051 et seq.) is amended by inserting*
 19 *after section 205 the following new section:*

20 **“SEC. 205A. ADDITIONAL SPOUSAL CONSENT REQUIRE-**
 21 **MENTS.**

22 “(a) *IN GENERAL.*—*Each individual account plan to*
 23 *which section 205 does not apply (but to which this title*
 24 *otherwise applies) shall provide that, except as provided in*
 25 *subsections (c) and (d), no distribution may be made under*

1 *the plan unless the spousal consent requirements of sub-*
2 *section (e) are met.*

3 “(b) *COORDINATION WITH SECTION 205.—Nothing in*
4 *this section shall be construed to exempt an individual ac-*
5 *count plan from the requirements of paragraph (1)(B),*
6 *(1)(C), or (2) of section 205(b) with respect to any partici-*
7 *pant.*

8 “(c) *EXCEPTIONS FOR CERTAIN DISTRIBUTIONS.—*
9 *Subsection (a) shall not apply to—*

10 “(1) *any distribution that is—*

11 “(A) *a minimum required distribution de-*
12 *scribed in section 4974(b) of the Internal Rev-*
13 *enue Code of 1986; or*

14 “(B) *permitted under section 203(e)(1) to be*
15 *made without the consent of the participant;*

16 “(2) *any distribution in the form of a qualified*
17 *joint and survivor annuity (as defined in section*
18 *205(d)(1)), a qualified optional survivor annuity (as*
19 *defined in section 205(d)(2)), a qualified preretire-*
20 *ment survivor annuity (as defined in section 205(e)),*
21 *or a series of substantially equal periodic payments*
22 *(not less frequently than annually) made for the joint*
23 *lives (or life expectancies) of the participant and the*
24 *participant’s spouse; or*

1 “(3) in the case of a participant who does not
2 elect a form of benefit described in paragraph (2)
3 under the plan or who is participating in a plan that
4 does not provide such a form of benefit, any distribu-
5 tion of the participant’s entire nonforfeitable accrued
6 benefit if 50 percent of such accrued benefit is trans-
7 ferred to an individual retirement plan (as defined in
8 section 7701(a)(37) of the Internal Revenue Code of
9 1986) of the spouse of the participant.

10 A transfer described in paragraph (3) to an individual re-
11 tirement plan shall be treated in the same manner as a
12 transfer under section 408(d)(6) of the Internal Revenue
13 Code of 1986.

14 “(d) *EXCEPTIONS FOR CERTAIN ROLLOVER CON-*
15 *TRIBUTIONS.*—

16 “(1) *IN GENERAL.*—Subsection (a) shall not
17 apply to any distribution that is an eligible rollover
18 distribution (as defined in section 402(f)(2)(A) of the
19 Internal Revenue Code of 1986) made in the form of
20 a direct trustee-to-trustee transfer within the meaning
21 of section 401(a)(31) of the Internal Revenue Code of
22 1986—

23 “(A) to a plan to which this section or sec-
24 tion 205 applies; or

1 “(B) to an individual retirement plan (as
2 defined in section 7701(a)(37) of the Internal
3 Revenue Code of 1986) if—

4 “(i) the sole beneficiary of such plan is
5 the spouse of the participant, or the spousal
6 consent requirements of subsection (e) are
7 met with respect to any designation of 1 or
8 more other beneficiaries; and

9 “(ii) under the terms of the individual
10 retirement plan, the beneficiary of such
11 plan (whether the spouse or other bene-
12 ficiary designated under subparagraph (A))
13 may not be changed unless—

14 “(I) the spousal consent require-
15 ments of subsection (e) are met with
16 respect to any such change; or

17 “(II) the spousal consent under
18 clause (i) to the designation of a bene-
19 ficiary other than the spouse expressly
20 permits such designation to be changed
21 without the further consent of the
22 spouse.

23 “(2) REGULATORY AUTHORITY.—The Secretary
24 of the Treasury and the Secretary of Labor may

1 *jointly issue regulations to implement subparagraphs*
2 *(A) and (B) of paragraph (1).*

3 *“(e) SPOUSAL CONSENT REQUIREMENTS.—*

4 *“(1) IN GENERAL.—For purposes of this section,*
5 *except as provided in paragraph (2), the spousal con-*
6 *sent requirements of this subsection are met with re-*
7 *spect to any distribution or any designation or*
8 *change of beneficiary if—*

9 *“(A) the plan provides to each participant,*
10 *within a reasonable period of time before such*
11 *distribution or designation or change of bene-*
12 *ficiary is made and consistent with such regula-*
13 *tions as the Secretary of the Treasury may pre-*
14 *scribe, a written explanation of the rights of the*
15 *participant and the participant’s spouse under*
16 *this section;*

17 *“(B) the spouse of the participant consents*
18 *in writing to the distribution or designation or*
19 *change of beneficiary;*

20 *“(C) in the case of a distribution, the writ-*
21 *ten consent under subparagraph (B) is made*
22 *during the consent period; and*

23 *“(D) the written consent under subpara-*
24 *graph (B)—*

1 “(i) acknowledges the effect of such dis-
2 tribution or designation or change of bene-
3 ficiary; and

4 “(ii) is witnessed by a plan representa-
5 tive or a notary public.

6 “(2) *EXCEPTIONS.*—The requirements of para-
7 graph (1) (other than subparagraph (A) thereof) shall
8 not apply with respect to any distribution or designa-
9 tion or change of beneficiary if a participant estab-
10 lishes to the satisfaction of the administrator that—

11 “(A) there is no spouse;

12 “(B) the participant and the participant’s
13 spouse have not been married for at least 1 year
14 as of the date of the distribution or designation
15 or change of beneficiary; or

16 “(C) such consent cannot be obtained be-
17 cause—

18 “(i) the spouse cannot be located after
19 taking documented search efforts in accord-
20 ance with guidance from the Secretary of
21 Labor;

22 “(ii) due to exceptional circumstances,
23 requiring the participant to seek the
24 spouse’s consent would be inappropriate; or

1 “(iii) of such other circumstances as
2 the Secretary of the Treasury, in consulta-
3 tion with the Secretary of Labor, may by
4 regulations prescribe.

5 *The Secretary of Labor may issue regulations to im-*
6 *plement this paragraph.*

7 “(3) *CONSENT LIMITED TO SPOUSE AND*
8 *EVENT.—Any written consent by a spouse under*
9 *paragraph (1), or the establishment by a participant*
10 *that an exception under paragraph (2) applies with*
11 *respect to a spouse, shall be effective only with respect*
12 *to that spouse and to the distribution or designation*
13 *or change of beneficiary to which it relates.*

14 “(4) *CONSENT PERIOD.—For purposes of this*
15 *subsection, the term ‘consent period’ means, with re-*
16 *spect to any distribution—*

17 “(A) *the 90-day period immediately pre-*
18 *ceding the date of such distribution; or*

19 “(B) *such other period as the Secretary of*
20 *the Treasury may provide.*

21 “(f) *DISCHARGE OF PLAN FROM LIABILITY.—Rules*
22 *similar to the rules of section 205(c)(6) shall apply for pur-*
23 *poses of this section.”.*

24 “(2) *CLERICAL AMENDMENT.—The table of sec-*
25 *tions of part 2 of subtitle B of title I of the Employee*

1 *Retirement Income Security Act of 1974 is amended*
2 *by inserting after the item relating to section 205 the*
3 *following new item:*

 “*Sec. 205A. Additional spousal consent requirements.*”.

4 (3) *PARALLEL AMENDMENT TO SECTION 205.—*
5 *Section 205(c)(2)(B) of the Employee Retirement In-*
6 *come Security Act of 1974 (29 U.S.C. 1055(c)(2)(B))*
7 *is amended by inserting “, because due to exceptional*
8 *circumstances, requiring the participant to seek the*
9 *spouse’s consent would be inappropriate” after “lo-*
10 *cated”.*

11 (b) *CONFORMING AMENDMENT TO INTERNAL REVENUE*
12 *CODE OF 1986.—Section 401(a) of the Internal Revenue*
13 *Code of 1986 is amended by inserting after paragraph (17)*
14 *the following new paragraph:*

15 “(18) *ADDITIONAL SPOUSAL CONSENT REQUIRE-*
16 *MENTS.—*

17 “(A) *IN GENERAL.—To the extent para-*
18 *graph (11) does not apply to a defined contribu-*
19 *tion plan to which title I of the Employee Re-*
20 *tirement Income Security Act of 1974 applies,*
21 *except as provided in subparagraphs (C) and*
22 *(D), a trust forming part of such plan shall not*
23 *constitute a qualified trust under this section un-*
24 *less no distribution may be made under the plan*

1 *unless the spousal consent requirements of sub-*
2 *paragraph (E) are met.*

3 “(B) *COORDINATION WITH PARAGRAPH*
4 *(11).—Nothing in this paragraph shall be con-*
5 *strued to exempt a defined contribution plan*
6 *from the requirements of subparagraph (B)(ii),*
7 *(B)(iii), or (C) of paragraph (11) with respect to*
8 *any participant.*

9 “(C) *EXCEPTIONS FOR CERTAIN DISTRIBUTIONS.*—*Subparagraph (A) shall not apply to—*

11 *“(i) any distribution that is—*

12 *“(I) a minimum required dis-*
13 *tribution described in section 4974(b),*
14 *or*

15 *“(II) permitted under section*
16 *411(a)(11) to be made without the con-*
17 *sent of the participant,*

18 *“(ii) any distribution in the form of a*
19 *qualified joint and survivor annuity (as de-*
20 *defined in section 417(b)), a qualified op-*
21 *tional survivor annuity (as defined in sec-*
22 *tion 417(g)), a qualified preretirement sur-*
23 *vivor annuity (as defined in section 417(c)),*
24 *or a series of substantially equal periodic*
25 *payments (not less frequently than annu-*

1 ally) made for the joint lives (or life
2 expectancies) of the participant and the
3 participant's spouse, or

4 “(iii) in the case of a participant who
5 does not elect a form of benefit described in
6 clause (ii) under the plan or who is partici-
7 pating in a plan that does not provide such
8 a form of benefit, any distribution of the
9 participant's entire nonforfeitable accrued
10 benefit if 50 percent of such accrued benefit
11 is directly transferred to an individual re-
12 tirement plan of the spouse of the partici-
13 pant.

14 A transfer described in clause (iii) to an indi-
15 vidual retirement plan shall be treated in the
16 same manner as a transfer under section
17 408(d)(6) and shall be deemed not to violate
18 paragraph (2) or (13).

19 “(D) *EXCEPTIONS FOR CERTAIN ROLLOVER*
20 *CONTRIBUTIONS.*—

21 “(i) *IN GENERAL.*—Subparagraph (A)
22 shall not apply to any distribution, involv-
23 ing a participant who has a spouse, that is
24 an eligible rollover distribution (as defined
25 in section 402(f)(2)(A)) made in the form of

1 *a direct trustee-to-trustee transfer within*
2 *the meaning of paragraph (31)—*

3 *“(I) to a plan to which this para-*
4 *graph or paragraph (11) applies; or*

5 *“(II) to an individual retirement*
6 *plan if—*

7 *“(aa) the sole beneficiary of*
8 *such plan is the spouse of the par-*
9 *ticipant, or the spousal consent*
10 *requirements of subparagraph (E)*
11 *are met with respect to any des-*
12 *ignation of 1 or more other bene-*
13 *ficiaries; and*

14 *“(bb) under the terms of the*
15 *individual retirement plan, the*
16 *beneficiary of such plan (whether*
17 *the spouse or other beneficiary*
18 *designated under clause (i)) may*
19 *not be changed unless—*

20 *“(AA) the spousal con-*
21 *sent requirements of subpara-*
22 *graph (E) are met with re-*
23 *spect to any such change, or*

24 *“(BB) the spousal con-*
25 *sent under subclause (I) to*

1 *the designation of a bene-*
2 *ficiary other than the spouse*
3 *expressly permits such des-*
4 *ignation to be changed with-*
5 *out the further consent of the*
6 *spouse.*

7 “(ii) *REGULATORY AUTHORITY.—The*
8 *Secretary of the Treasury, in consultation*
9 *with the Secretary of Labor, may issue reg-*
10 *ulations to implement subparagraphs sub-*
11 *clauses (I) and (II) or clause (i).*

12 “(E) *SPOUSAL CONSENT REQUIREMENTS.—*

13 “(i) *IN GENERAL.—For purposes of*
14 *this paragraph, except as provided in clause*
15 *(ii), the spousal consent requirements of this*
16 *subparagraph are met with respect to any*
17 *distribution or any designation or change of*
18 *beneficiary if—*

19 “(I) *the plan provides to each*
20 *participant, within a reasonable pe-*
21 *riod of time before such distribution or*
22 *designation or change of beneficiary is*
23 *made and consistent with such regula-*
24 *tions as the Secretary may prescribe, a*
25 *written explanation of the rights of the*

1 *participant and the participant's*
2 *spouse under this paragraph,*

3 *“(II) the spouse of the participant*
4 *consents in writing to the distribution*
5 *or designation or change of beneficiary,*

6 *“(III) in the case of a distribu-*
7 *tion, the written consent under sub-*
8 *clause (II) is made during the consent*
9 *period, and*

10 *“(IV) the written consent under*
11 *subclause (i)—*

12 *“(aa) acknowledges the effect*
13 *of such distribution or designation*
14 *or change of beneficiary, and*

15 *“(bb) is witnessed by a plan*
16 *representative or a notary public.*

17 *“(ii) EXCEPTIONS UNDER SECTION*
18 *417(A)(2)(B) TO APPLY.—The requirements of*
19 *clause (i) (other than subclause (I) thereof)*
20 *shall not apply with respect to any dis-*
21 *tribution or designation or change of bene-*
22 *ficiary if a participant establishes to the*
23 *satisfaction of the administrator that—*

24 *“(I) there is no spouse,*

1 “(II) the participant and the par-
2 ticipant’s spouse have not been mar-
3 ried for at least 1 year as of the date
4 of the distribution or designation or
5 change of beneficiary, or

6 “(III) such consent cannot be ob-
7 tained because—

8 “(aa) the spouse cannot be
9 located after taking documented
10 search efforts in accordance with
11 guidance from the Secretary of
12 Labor;

13 “(bb) due to exceptional cir-
14 cumstances, requiring the partici-
15 pant to seek the spouse’s consent
16 would be inappropriate; or

17 “(cc) of such other cir-
18 cumstances as the Secretary, in
19 consultation with the Secretary of
20 Labor, may by regulations pre-
21 scribe.

22 *The Secretary, in consultation with the Sec-*
23 *retary of Labor, may issue regulations to*
24 *implement this clause.*

1 “(iii) *CONSENT LIMITED TO SPOUSE*
2 *AND EVENT.*—Any written consent by a
3 spouse under clause (i), or the establishment
4 by a participant that an exception under
5 clause (ii) applies with respect to a spouse,
6 shall be effective only with respect to that
7 spouse and to the distribution or designa-
8 tion or change of beneficiary to which it re-
9 lates.

10 “(iv) *CONSENT PERIOD.*—For purposes
11 of this subparagraph, the term ‘consent pe-
12 riod’ means, with respect to any distribu-
13 tion—

14 “(I) the 90-day period imme-
15 diately preceding the date of such dis-
16 tribution, or

17 “(II) such other period as the Sec-
18 retary may provide.”.

19 **SEC. 5. AUTOMATIC REENROLLMENT.**

20 (a) *ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGE-*
21 *MENTS.*—

22 (1) *AMENDMENT TO THE EMPLOYEE RETIRE-*
23 *MENT INCOME SECURITY ACT OF 1974.*—Section
24 *514(e)(2) of the Employee Retirement Income Secu-*
25 *rity Act of 1974 (29 U.S.C. 1144(e)(2)) is amended—*

1 (A) by redesignating subparagraphs (A)
2 through (C) as clauses (i) through (iii), respec-
3 tively, and moving the margins of such clauses
4 2 ems to the right,

5 (B) by striking “(2) For purposes of” and
6 inserting “(2)(A) For purposes of”, and

7 (C) by adding at the end the following:

8 “(B) In the case of an automatic contribu-
9 tion arrangement taking effect after December
10 31, 2024, the requirements of subparagraph
11 (A)(ii) shall be treated as met only if, under the
12 arrangement, at least every 3 years each em-
13 ployee—

14 “(i) who is eligible to participate in
15 the arrangement, and

16 “(ii) who, at the time of the determina-
17 tion, has in effect an affirmative election
18 pursuant to subparagraph (A)(ii) not to
19 have contributions described in such sub-
20 paragraph made,

21 is treated as having made the election at the uni-
22 form percentage of compensation described in
23 subparagraph (A)(ii) unless the employee makes
24 a new election under such subparagraph. Such
25 determination may be made at one time for all

1 *employees described in the preceding sentence for*
2 *a plan year, regardless of individual employee*
3 *dates of enrollment.”.*

4 (2) *AMENDMENT TO THE INTERNAL REVENUE*
5 *CODE OF 1986.—Section 414(w)(3) of the Internal*
6 *Revenue Code of 1986 is amended—*

7 (A) *by redesignating subparagraphs (A)*
8 *through (C) as clauses (i) through (iii), respec-*
9 *tively, and moving the margins of such clauses*
10 *2 ems to the right;*

11 (B) *by striking “ For purposes of” and in-*
12 *serting the following:*

13 *“(A) IN GENERAL.—For purposes of”*

14 (C) *by adding at the end the following new*
15 *subparagraph:*

16 *“(B) PERIODIC AUTOMATIC DEFERRAL RE-*
17 *QUIRED.—In the case of an eligible automatic*
18 *contribution arrangement taking effect after De-*
19 *cember 31, 2024, the requirements of this sub-*
20 *section shall be treated as met only if, under the*
21 *arrangement, at least every 3 plan years each*
22 *employee—*

23 *“(i) who is eligible to participate in*
24 *the arrangement, and*

1 “(ii) who, at the time of the determina-
2 tion, has in effect an affirmative election
3 under subparagraph (A)(ii) not to have
4 such contributions described in such sub-
5 paragraph made,
6 is treated as having made the election at the uni-
7 form percentage level described in subparagraph
8 (A)(ii) unless the employee makes a new election
9 under such subparagraph. Such determination
10 may be made at one time for all employees de-
11 scribed in the preceding sentence for a plan year,
12 regardless of individual employee dates of enroll-
13 ment.”

14 (b) *QUALIFIED AUTOMATIC CONTRIBUTION ARRANGE-*
15 *MENTS.—*

16 (1) *IN GENERAL.—*Section 401(k)(13)(C) of the
17 *Internal Revenue Code of 1986 is amended by adding*
18 *at the end the following new clause:*

19 “(v) *PERIODIC AUTOMATIC DEFERRAL*
20 *REQUIRED FOR POST-2024 ARRANGE-*
21 *MENTS.—*In the case of a qualified auto-
22 *matic contribution arrangement which takes*
23 *effect after December 31, 2024, the require-*
24 *ments of this subparagraph shall be treated*

1 *as met only if, under the arrangement, at*
2 *least every 3 plan years each employee—*

3 *“(I) who is eligible to participate*
4 *in the arrangement, and*

5 *“(II) who, at the time of the deter-*
6 *mination, has in effect an affirmative*
7 *election pursuant to clause (ii) not to*
8 *have contributions described in clause*
9 *(i) made,*

10 *is treated as having made the election de-*
11 *scribed in clause (i) unless the employee*
12 *makes a new affirmative election under*
13 *clause (ii). Such determination may be*
14 *made at one time for all employees de-*
15 *scribed in the preceding sentence for a plan*
16 *year, regardless of individual employee*
17 *dates of enrollment.”*

18 (2) *CONFORMING AMENDMENTS.—Clause (iv) of*
19 *section 401(k)(13)(C) of such Code is amended—*

20 (A) *in the heading, by inserting “for pre-*
21 *2025 arrangements” after “required”; and*

22 (B) *by striking “Clause (i)” and inserting*
23 *“In the case of a qualified automatic contribu-*
24 *tion arrangement in effect before January 1,*
25 *2025, clause (i)”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to arrangements taking effect after De-*
3 *cember 31, 2024.*

4 **SEC. 6. EMPLOYEE OWNERSHIP AND PARTICIPATION INI-**
5 **TIATIVE.**

6 (a) *DEFINITIONS.*—*In this section:*

7 (1) *EXISTING PROGRAM.*—*The term “existing*
8 *program” means a program, designed to promote em-*
9 *ployee ownership and employee participation in busi-*
10 *ness decisionmaking, that exists on the date on which*
11 *the Secretary is carrying out a responsibility author-*
12 *ized under this section.*

13 (2) *INITIATIVE.*—*The term “Initiative” means*
14 *the Employee Ownership and Participation Initiative*
15 *established under subsection (b).*

16 (3) *NEW PROGRAM.*—*The term “new program”*
17 *means a program, designed to promote employee own-*
18 *ership and employee participation in business deci-*
19 *sionmaking, that does not exist on the date on which*
20 *the Secretary is carrying out a responsibility author-*
21 *ized under this section.*

22 (4) *SECRETARY.*—*The term “Secretary” means*
23 *the Secretary of Labor.*

1 (5) *STATE*.—The term “State” has the meaning
2 given the term under section 3 of the Workforce Inno-
3 vation and Opportunity Act (29 U.S.C. 3102).

4 (b) *EMPLOYEE OWNERSHIP AND PARTICIPATION INI-*
5 *TIATIVE*.—

6 (1) *ESTABLISHMENT*.—The Secretary of Labor
7 shall establish within the Department of Labor an
8 Employee Ownership and Participation Initiative to
9 promote employee ownership and employee participa-
10 tion in business decisionmaking.

11 (2) *FUNCTIONS*.—In carrying out the Initiative,
12 the Secretary shall—

13 (A) support within the States existing pro-
14 grams designed to promote employee ownership
15 and employee participation in business decision-
16 making; and

17 (B) facilitate within the States the forma-
18 tion of new programs designed to promote em-
19 ployee ownership and employee participation in
20 business decisionmaking.

21 (3) *DUTIES*.—To carry out the functions enu-
22 merated in paragraph (2), the Secretary shall—

23 (A) support new programs and existing
24 programs by—

1 (i) making Federal grants authorized
2 under subsection (d); and

3 (ii) acting as a clearinghouse on tech-
4 niques employed by new programs and ex-
5 isting programs within the States, and dis-
6 seminating information relating to those
7 techniques to the programs; and

8 (B) facilitate the formation of new pro-
9 grams, in ways that include holding or funding
10 an annual conference of representatives from
11 States with existing programs, representatives
12 from States developing new programs, and rep-
13 resentatives from States without existing pro-
14 grams.

15 (c) *PROGRAMS REGARDING EMPLOYEE OWNERSHIP*
16 *AND PARTICIPATION.*—

17 (1) *ESTABLISHMENT OF PROGRAM.*—Not later
18 than 180 days after the date of enactment of this Act,
19 the Secretary shall establish a program to encourage
20 new programs and existing programs within the
21 States to foster employee ownership and employee
22 participation in business decisionmaking throughout
23 the United States.

24 (2) *PURPOSE OF PROGRAM.*—The purpose of the
25 program established under paragraph (1) is to en-

1 *courage new and existing programs within the States*
2 *that focus on—*

3 *(A) providing education and outreach to in-*
4 *form employees and employers about the possi-*
5 *bilities and benefits of employee ownership, busi-*
6 *ness ownership succession planning, and em-*
7 *ployee participation in business decisionmaking,*
8 *including providing information about financial*
9 *education, employee teams, open-book manage-*
10 *ment, and other tools that enable employees to*
11 *share ideas and information about how their*
12 *businesses can succeed;*

13 *(B) providing technical assistance to assist*
14 *employee efforts to become business owners, to en-*
15 *able employers and employees to explore and as-*
16 *sess the feasibility of transferring full or partial*
17 *ownership to employees, and to encourage em-*
18 *ployees and employers to start new employee-*
19 *owned businesses; and*

20 *(C) training employees and employers with*
21 *respect to methods of employee participation in*
22 *open-book management, work teams, committees,*
23 *and other approaches for seeking greater em-*
24 *ployee input.*

1 (3) *PROGRAM DETAILS.*—*The Secretary may in-*
2 *clude, in the program established under paragraph*
3 *(1), provisions that—*

4 (A) *in the case of activities described in*
5 *paragraph (2)(A)—*

6 (i) *target key groups, such as retiring*
7 *business owners, senior managers, unions,*
8 *trade associations, community organiza-*
9 *tions, and economic development organiza-*
10 *tions;*

11 (ii) *encourage cooperation in the orga-*
12 *nization of workshops and conferences; and*

13 (iii) *prepare and distribute materials*
14 *concerning employee ownership and partici-*
15 *pation, and business ownership succession*
16 *planning;*

17 (B) *in the case of activities described in*
18 *paragraph (2)(B)—*

19 (i) *provide preliminary technical as-*
20 *sistance to employee groups, managers, and*
21 *retiring owners exploring the possibility of*
22 *employee ownership;*

23 (ii) *provide for the performance of pre-*
24 *liminary feasibility assessments;*

1 (iii) assist in the funding of objective
2 third-party feasibility studies and prelimi-
3 nary business valuations, and in selecting
4 and monitoring professionals qualified to
5 conduct such studies; and

6 (iv) provide a data bank to help em-
7 ployees find legal, financial, and technical
8 advice in connection with business owner-
9 ship;

10 (C) in the case of activities described in
11 paragraph (2)(C)—

12 (i) provide for courses on employee
13 participation; and

14 (ii) provide for the development and
15 fostering of networks of employee-owned
16 companies to spread the use of successful
17 participation techniques; and

18 (D) in the case of training described in
19 paragraph (2)(D)—

20 (i) provide for visits to existing pro-
21 grams by staff from new programs receiving
22 funding under this section; and

23 (ii) provide materials to be used for
24 such training.

1 (4) *GUIDANCE.*—*The Secretary shall issue formal*
2 *guidance, for recipients of grants awarded under sub-*
3 *section (d) and one-stop partners (as defined in sec-*
4 *tion 3 of the Workforce Innovation and Opportunity*
5 *Act (29 U.S.C. 3102)) affiliated with the workforce*
6 *development systems (as so defined) of the States, pro-*
7 *posing that programs and other activities funded*
8 *under this section be—*

9 (A) *proactive in encouraging actions and*
10 *activities that promote employee ownership of,*
11 *and participation in, businesses; and*

12 (B) *comprehensive in emphasizing both em-*
13 *ployee ownership of, and participation in, busi-*
14 *nesses so as to increase productivity and broaden*
15 *capital ownership.*

16 (d) *GRANTS.*—

17 (1) *IN GENERAL.*—*In carrying out the program*
18 *established under subsection (c), the Secretary may*
19 *make grants to States (except as provided in para-*
20 *graph (5)) for use in connection with new programs*
21 *and existing programs within a State for—*

22 (A) *education and outreach as provided in*
23 *subsection (c)(2)(A);*

24 (B) *technical assistance as provided in sub-*
25 *section (c)(2)(B);*

1 (C) training activities for employees and
2 employers as provided in subsection (c)(2)(C);

3 (D) activities facilitating cooperation
4 among employee-owned firms; and

5 (E) training as provided in subsection
6 (c)(2)(D) for new programs provided by partici-
7 pants in existing programs dedicated to the ob-
8 jectives of this section, except that, for each fiscal
9 year, the amount of the grants made for such
10 training shall not exceed 10 percent of the total
11 amount of the grants made under this section.

12 (2) AMOUNTS AND CONDITIONS.—The Secretary
13 shall determine the amount and any conditions for a
14 grant made under this subsection. The amount of the
15 grant shall be subject to paragraph (6), and shall re-
16 flect the capacity of the applicant for the grant.

17 (3) APPLICATIONS.—Each entity desiring a
18 grant under this subsection shall submit an applica-
19 tion to the Secretary at such time, in such manner,
20 and accompanied by such information as the Sec-
21 retary may reasonably require.

22 (4) STATE APPLICATIONS.—Each State may
23 sponsor and submit an application under paragraph
24 (3) on behalf of any local entity consisting of a unit
25 of State or local government, State-supported institu-

1 *tion of higher education, or nonprofit organization,*
2 *meeting the requirements of this section.*

3 (5) *APPLICATIONS BY ENTITIES.—*

4 (A) *ENTITY APPLICATIONS.—If a State fails*
5 *to support or establish a program pursuant to*
6 *this section during any fiscal year, the Secretary*
7 *shall, in the subsequent fiscal years, allow local*
8 *entities described in paragraph (4) from that*
9 *State to make applications for grants under*
10 *paragraph (3) on their own initiative.*

11 (B) *APPLICATION SCREENING.—In any case*
12 *in which a local entity makes an application for*
13 *a grant pursuant to subparagraph (A), the rel-*
14 *evant State may take no actions to screen such*
15 *application.*

16 (6) *LIMITATIONS.—A recipient of a grant made*
17 *under this subsection shall not receive, during a fiscal*
18 *year, in the aggregate, more than the following*
19 *amounts:*

20 (A) *For fiscal year 2023, \$300,000.*

21 (B) *For fiscal year 2024, \$330,000.*

22 (C) *For fiscal year 2025, \$363,000.*

23 (D) *For fiscal year 2026, \$399,300.*

24 (E) *For fiscal year 2027, \$439,200.*

1 (7) *ANNUAL REPORT.*—For each year, each re-
2 recipient of a grant under this subsection shall submit
3 to the Secretary a report describing how grant funds
4 allocated pursuant to this subsection were expended
5 during the 12-month period preceding the date of the
6 submission of the report.

7 (e) *EVALUATIONS.*—The Secretary is authorized to re-
8 serve not more than 10 percent of the funds appropriated
9 for a fiscal year to carry out this section for the purposes
10 of conducting evaluations of the grant programs identified
11 in subsection (d) and to provide related technical assistance.

12 (f) *REPORTING.*—Not later than 36 months after the
13 date of enactment of this Act, the Secretary shall prepare
14 and submit to Congress a report—

15 (1) on progress related to employee ownership
16 and participation in businesses in the United States;
17 and

18 (2) containing an analysis of critical costs and
19 benefits of activities carried out under this section.

20 (g) *AUTHORIZATIONS OF APPROPRIATIONS.*—

21 (1) *IN GENERAL.*—There are authorized to be ap-
22 propriated for the purpose of making grants pursuant
23 to subsection (d) the following:

24 (A) For fiscal year 2023, \$4,000,000.

25 (B) For fiscal year 2024, \$7,000,000.

1 (C) For fiscal year 2025, \$10,000,000.

2 (D) For fiscal year 2026, \$13,000,000.

3 (E) For fiscal year 2027, \$16,000,000.

4 (2) *ADMINISTRATIVE EXPENSES.*—There are au-
5 thorized to be appropriated for the purpose of funding
6 the administrative expenses related to the Initiative,
7 for each of fiscal years 2022 through 2026, an amount
8 not in excess of the lesser of—

9 (A) \$350,000; or

10 (B) 5.0 percent of the maximum amount
11 available under paragraph (1) for that fiscal
12 year.

13 **SEC. 7. REFUND TO RAINY DAY SAVINGS PROGRAM.**

14 (a) *ESTABLISHMENT.*—

15 (1) *IN GENERAL.*—Not later than December 31,
16 2024, the Secretary of the Treasury or the Secretary’s
17 delegate (referred to in this subsection as the “Sec-
18 retary”) shall establish and implement a program
19 (referred to in this subsection as the “Refund to
20 Rainy Day Savings Program”) to allow partici-
21 pating taxpayers, pursuant to the requirements estab-
22 lished under this section, to defer payment on 20 per-
23 cent of the amount which would otherwise be refunded
24 to such taxpayer as an overpayment (as described in
25 section 6401 of the Internal Revenue Code of 1986).

1 (2) *PERIOD OF DEFERRAL.*—*Except as provided*
2 *under paragraph (3)(E), a participating taxpayer*
3 *may elect to defer payment of the amount described*
4 *in paragraph (1) and have such amount deposited in*
5 *the Rainy Day Fund (as described in paragraph (3)).*

6 (3) *RAINY DAY FUND.*—

7 (A) *IN GENERAL.*—*The Secretary shall es-*
8 *tablish in the Treasury a fund, in such manner*
9 *as the Secretary determines to be appropriate, to*
10 *be known as the “Rainy Day Fund”, consisting*
11 *of any amounts described in paragraph (1) on*
12 *which payment has been deferred by partici-*
13 *pating taxpayers.*

14 (B) *INVESTMENT.*—*Any amounts deposited*
15 *in the Rainy Day Fund shall be invested by the*
16 *Secretary, in United States Treasury securities*
17 *issued under chapter 31 of title 31, United*
18 *States Code, that are suitable for the needs of the*
19 *Rainy Day Fund.*

20 (C) *DISBURSEMENTS FROM FUND.*—

21 (i) *IN GENERAL.*—*On the date that is*
22 *180 days after the date of deposit in the*
23 *Rainy Day Fund of an amount deferred by*
24 *such taxpayer under paragraph (1), the*
25 *amounts in the Rainy Day Fund shall be*

1 *made available to the Secretary to dis-*
2 *tribute to such taxpayer in an amount*
3 *equal to such amount plus any interest ac-*
4 *crued on such amount (as determined under*
5 *subparagraph (D)).*

6 *(ii) DISTRIBUTED TO TAXPAYERS.—*

7 *The amounts described in clause (i) shall be*
8 *distributed to the account identified by the*
9 *participating taxpayer under paragraph*
10 *(4)(B).*

11 *(D) INTEREST ACCRUED.—The amount of*
12 *interest accrued on the amount deferred by a*
13 *participating taxpayer under subsection (a)*
14 *shall be determined by the Secretary based upon*
15 *the return on the investment of such amounts*
16 *under subparagraph (B).*

17 *(E) EARLY WITHDRAWAL.—*

18 *(i) IN GENERAL.—As soon as possible*
19 *after receipt by the Secretary of the indi-*
20 *vidual income tax return of the partici-*
21 *pating taxpayer and October 15 of the ap-*
22 *plicable year, such taxpayer may elect to*
23 *terminate the deferral of the amount de-*
24 *scribed under paragraph (1) and receive a*
25 *distribution from the Rainy Day Fund*

1 *equal to such amount and any interest*
2 *which has accrued on such amount up to*
3 *that date.*

4 *(ii) COMPLETE WITHDRAWAL.—A par-*
5 *ticipating taxpayer making an election*
6 *under clause (i) must terminate deferral of*
7 *the full amount described under paragraph*
8 *(1), and such amount shall be distributed to*
9 *the bank account identified by the partici-*
10 *pating taxpayer under paragraph (4)(B).*

11 *(4) PARTICIPATING TAXPAYER.—For purposes of*
12 *this section, the term “participating taxpayer” means*
13 *a taxpayer who—*

14 *(A) prior to the due date for filing the re-*
15 *turn of tax for such taxable year, elects to par-*
16 *ticipate in the Refund to Rainy Day Savings*
17 *Program, in accordance with regulations to be*
18 *issued by the Secretary; and*

19 *(B) provides the Secretary with an account*
20 *and routing number or any other financial in-*
21 *formation deemed necessary by the Secretary for*
22 *purposes of subparagraphs (C)(ii) and (E)(ii) of*
23 *paragraph (3).*

24 *(5) FORMS.—The Secretary shall ensure that the*
25 *election to defer payment of the amount described in*

1 *paragraph (1) may be claimed on appropriate tax*
2 *forms.*

3 (6) *IMPLEMENTATION.—*

4 (A) *EDUCATIONAL MATERIALS AND OUT-*
5 *REACH.—The Secretary shall—*

6 (i) *design educational materials for*
7 *taxpayers regarding financial savings and*
8 *the Refund to Rainy Day Savings Program,*

9 (ii) *publicly disseminate and distribute*
10 *such materials during the first calendar*
11 *quarter of each calendar year and following*
12 *disbursement of amounts described in para-*
13 *graph (3)(C), and*

14 (iii) *engage in outreach regarding the*
15 *Refund to Rainy Day Savings Program to*
16 *the Volunteer Income Tax Assistance pro-*
17 *gram and paid tax preparers.*

18 (B) *INFORMATION FOR PARTICIPATING TAX-*
19 *PAYERS.—The Secretary shall ensure that a par-*
20 *ticipating taxpayer is able to electronically*
21 *verify the status of the amount deferred by such*
22 *taxpayer under paragraph (1), including any*
23 *interest accrued on such amount and the status*
24 *of any distribution.*

1 (C) *FEDERALLY FUNDED BENEFITS.*—*Any*
2 *amounts described in paragraph (1) that are dis-*
3 *tributed to a participating taxpayer, including*
4 *any interest accrued on such amount, shall be*
5 *treated in the same manner as any refund made*
6 *to such taxpayer under section 32 of the Internal*
7 *Revenue Code of 1986 for purposes of deter-*
8 *mining the eligibility of such taxpayer for bene-*
9 *fits or assistance, or the amount or extent of ben-*
10 *efits or assistance, under any Federal program*
11 *or under any State or local program financed in*
12 *whole or in part with Federal funds.*

13 (b) *ASSETS FOR INDEPENDENCE INNOVATION DEM-*
14 *ONSTRATION PROJECTS.*—

15 (1) *REAUTHORIZATION.*—*The Assets for Inde-*
16 *pendence Act (42 U.S.C. 604 note) is amended—*

17 (A) *in section 416, by inserting “, and, sub-*
18 *ject to section 417, \$25,000,000 for each of fiscal*
19 *years 2024, 2025, 2026, 2027, and 2028, to re-*
20 *main available until expended”at the end before*
21 *the period; and*

22 (B) *by adding at the end the following new*
23 *section:*

1 **“SEC. 417. RESERVATION OF FUNDS.**

2 “(a) *IN GENERAL.*—Subject to subsections (b) and (c),
3 from the funds appropriated for each of fiscal years 2024,
4 2025, 2026, 2027, and 2028 under section 416, the Sec-
5 retary shall reserve—

6 “(1) \$3,000,000 for general research and evalua-
7 tion; and

8 “(2) any amounts remaining after application of
9 paragraph (1) to fund Assets for Independence inno-
10 vation projects under section 418.

11 “(b) *PILOT PROGRAM FUNDING.*—From the amounts
12 reserved under subsection (a) for each of fiscal years 2024,
13 2025, and 2026, the Secretary shall make available for oper-
14 ating the pilot program established under section 7(c) of
15 the Protecting America’s Retirement Security Act of 2022—

16 “(1) 50 percent of the amount reserved for the
17 relevant fiscal year under paragraph (1) of subsection
18 (a) (after any adjustment under subsection (c)); and

19 “(2) 25 percent of the amount reserved for the
20 relevant fiscal year under paragraph (2) of subsection
21 (a) (after any adjustment under subsection (c)).

22 “(c) *PROPORTIONAL ADJUSTMENT.*—In any of fiscal
23 years 2024, 2025, 2026, 2027, and 2028, if the amount ap-
24 propriated for such fiscal year is greater or less than the
25 amount authorized for such fiscal year under section 416,
26 the amounts reserved under subsection (a) shall be increased

1 *or decreased for such fiscal year so that each such amount*
 2 *bears the same proportion to the amount appropriated as*
 3 *each of the amounts reserved under such subsection bears*
 4 *to the amount authorized.”.*

5 (2) *ESTABLISHMENT OF INNOVATION PRO-*
 6 *GRAM.—The Assets for Independence Act (42 U.S.C.*
 7 *604 note), as amended by paragraph (1), is further*
 8 *amended by adding at the end the following new sec-*
 9 *tion:*

10 **“SEC. 418. ASSETS FOR INDEPENDENCE INNOVATION**
 11 **PROJECTS.**

12 “(a) *IN GENERAL.—The Secretary is authorized to*
 13 *make grants to qualified entities to conduct Assets for Inde-*
 14 *pendence innovation projects under this section.*

15 “(b) *DEFINITIONS.—For purposes of this section:*

16 “(1) *ASSETS FOR INDEPENDENCE INNOVATION*
 17 *PROJECT.—The term ‘Assets for Independence innova-*
 18 *tion project’ means a demonstration project carried*
 19 *out by a qualified entity under this section.*

20 “(2) *INNOVATION DEVELOPMENT ACCOUNT.—The*
 21 *term ‘innovation development account’ means an ac-*
 22 *count that is established in a federally insured finan-*
 23 *cial institution or a State insured financial institu-*
 24 *tion and meets such other requirements as are estab-*
 25 *lished by the Secretary.*

1 “(c) *APPLICATION.*—

2 “(1) *CRITERIA AND PREFERENCES.*—

3 “(A) *IN GENERAL.*—*Subject to subpara-*
4 *graph (B), in considering an application to con-*
5 *duct an Assets for Independence innovation*
6 *project, the Secretary shall apply subsections (c)*
7 *and (d) of section 405 to the application in the*
8 *same manner that such subsections apply to an*
9 *application to conduct a demonstration project*
10 *under section 405.*

11 “(B) *MODIFICATION.*—*For purposes of this*
12 *paragraph, paragraph (1) of section 405(c) shall*
13 *be applied without regard to the phrase ‘through*
14 *activities requiring one or more qualified ex-*
15 *penses’.*

16 “(2) *APPROVAL OF ASSETS FOR INDEPENDENCE*
17 *INNOVATION PROJECTS.*—*Not later than 12 months*
18 *after the date of the enactment of this section, the Sec-*
19 *retary shall, on a competitive basis, approve such ap-*
20 *plications to conduct Assets for Independence innova-*
21 *tion projects as the Secretary considers to be appro-*
22 *priate, taking into account the considerations re-*
23 *quired by paragraph (1). The Secretary shall ensure,*
24 *to the maximum extent practicable, that the applica-*
25 *tions that are approved involve a range of commu-*

1 *nities (spread out both geographically and in rural*
2 *and urban areas) and diverse populations.*

3 *“(d) PROJECT DURATION AND GRANT AMOUNT.—*

4 *“(1) DURATION.—The Secretary shall award*
5 *grants under this section for a period not to exceed*
6 *5 project years.*

7 *“(2) GRANT AMOUNT.—For each project year of*
8 *an Assets for Independence innovation project ap-*
9 *proved under this section, the Secretary may make a*
10 *grant to the qualified entity authorized to conduct the*
11 *project. In making such a grant, the Secretary shall*
12 *make the grant on the first day of the project year in*
13 *an amount not to exceed the lesser of—*

14 *“(A) the aggregate amount of funds com-*
15 *mitted as matching contributions from non-Fed-*
16 *eral public or private sector sources; or*

17 *“(B) \$1,000,000.*

18 *“(e) ELIGIBILITY AND SELECTION OF INDIVIDUALS TO*
19 *PARTICIPATE IN AN ASSETS FOR INDEPENDENCE INNOVA-*
20 *TION PROJECT.—*

21 *“(1) ELIGIBILITY CRITERIA.—Subject to the ap-*
22 *proval of the Secretary, each qualified entity con-*
23 *ducting an Assets for Independence innovation project*
24 *shall establish eligibility requirements for partici-*
25 *pants in the project. Such requirements shall—*

1 “(A) be more expansive than the require-
2 ments established under section 408; and

3 “(B) ensure that eligibility is limited to
4 low-income individuals.

5 “(2) *SELECTION OF INDIVIDUALS TO PARTICI-*
6 *PATE.—Each qualified entity conducting an Assets*
7 *for Independence innovation project shall select, from*
8 *among the individuals that meet the eligibility re-*
9 *quirements established by the entity under paragraph*
10 *(1), the individuals—*

11 “(A) that the qualified entity determines to
12 be most appropriate to participate; and

13 “(B) to whom the qualified entity will make
14 disbursements or deposits in accordance with
15 subsection (f).

16 “(f) *DISBURSEMENTS BY QUALIFIED ENTITIES.—*

17 “(1) *IN GENERAL.—Each qualified entity con-*
18 *ducting an Assets for Independence innovation project*
19 *shall, in a manner consistent with the program re-*
20 *quirements established by such entity, disburse to a*
21 *third-party or deposit into the innovation develop-*
22 *ment account of each individual participating in the*
23 *project from the funds described in subsection (d)(2),*
24 *a matching contribution of not less than \$0.50 and*
25 *not more than \$8 for every \$1 deposited in the ac-*

1 count by a project participant, except that the rate of
2 matching shall be equal for all individuals partici-
3 pating in the project conducted by such qualified enti-
4 ty.

5 “(2) *LIMITATION ON DISBURSEMENTS FOR AN IN-*
6 *DIVIDUAL.—Not more than \$5,000 from a grant made*
7 *under subsection (d)(1) shall be provided to any one*
8 *individual over the course of the Assets for Independ-*
9 *ence innovation project.*

10 “(3) *LIMITATION ON DISBURSEMENTS FOR A*
11 *HOUSEHOLD.—Not more than \$10,000 from a grant*
12 *made under subsection (d)(1) shall be provided to any*
13 *one household over the course of the Assets for Inde-*
14 *pendence innovation project.*

15 “(4) *ADJUSTMENT FOR INFLATION.—*

16 “(A) *IN GENERAL.—For each calendar year*
17 *after 2023, the dollar amounts in paragraphs (2)*
18 *and (3) shall be increased by an amount equal*
19 *to the product of—*

20 “(i) *such dollar amount, and*

21 “(ii) *the cost-of-living adjustment de-*
22 *termined under section 1(f)(3) of the Inter-*
23 *nal Revenue Code of 1986 for the calendar*
24 *year, determined by substituting ‘2022’ for*
25 *‘2016’ in subparagraph (A)(ii) thereof.*

1 “(B) *ROUNDING.*—If any increase deter-
2 mined under subparagraph (A) is not a multiple
3 of \$50, such increase shall be rounded up to the
4 next lowest multiple of \$50.”

5 (3) *CONFORMING AMENDMENTS.*—The Assets for
6 Independence Act (42 U.S.C. 604 note), as amended
7 by paragraphs (1) and (2), is further amended—

8 (A) in section 404(2), by inserting “or sec-
9 tion 418” before the period;

10 (B) in section 406—

11 (i) in subsection (a), by striking “to
12 conduct a demonstration project under this
13 title” and inserting “under section 405”;
14 and

15 (ii) in subsection (b), by striking “con-
16 ducted under this title” and inserting “ap-
17 proved under section 405”;

18 (C) in section 407—

19 (i) in subsection (c)—

20 (I) in paragraph (1)—

21 (aa) in subparagraph (A), by
22 inserting “or, in the case of a par-
23 ticipant in a project conducted
24 under section 418, other permitted

1 *expenses” after “qualified ex-*
2 *periences”; and*

3 *(bb) in subparagraph (B), by*
4 *inserting “or subsection (f) of sec-*
5 *tion 418” after “section 410”; and*

6 *(II) in paragraph (3), by insert-*
7 *ing “or section 418(d)(1)” after “ sec-*
8 *tion 406(b)”;* and

9 *(ii) in subsection (d)(2)(A), by insert-*
10 *ing “or section 418(d)(1)” after “section*
11 *406(b)”;*

12 *(D) in section 408, by striking “conducted*
13 *under this title” each place it appears and in-*
14 *serting “approved under section 405”;*

15 *(E) in section 409, by striking “conducted*
16 *under this title” and inserting “approved under*
17 *section 405”;*

18 *(F) in section 410, by striking “under this*
19 *title” and inserting “conducting a demonstration*
20 *project approved under section 405”;*

21 *(G) in section 413(a), by inserting “or sec-*
22 *tion 418(c)” after “under section 405”; and*

23 *(H) in section 415, by inserting “or innova-*
24 *tion development account” after “individual de-*
25 *velopment account”.*

1 (c) *MATCHED REFUND TO RAINY DAY SAVINGS PILOT*
2 *PROGRAM.—*

3 (1) *IN GENERAL.—Not later than 6 months after*
4 *the date of the enactment of this Act and using the*
5 *funds made available pursuant to section 417(b) of*
6 *the Assets for Independence Act, the Secretary of*
7 *Health and Human Services, acting through the Di-*
8 *rector of Community Services (in this section referred*
9 *to as “the Secretary”), shall establish under this sub-*
10 *section a matched savings account pilot program to*
11 *encourage saving by eligible individuals. Under the*
12 *pilot program, a qualified entity may apply to the*
13 *Secretary for a grant to conduct a pilot project de-*
14 *scribed in paragraph (2) (in this section referred to*
15 *as a “pilot project”). The pilot program shall operate*
16 *for a period of 3 years.*

17 (2) *PILOT PROJECT DESCRIBED.—*

18 (A) *IN GENERAL.—A pilot project is a*
19 *project in which a qualified entity establishes a*
20 *matched savings program that meets the require-*
21 *ments of subparagraph (B) for eligible individ-*
22 *uals who are selected by the entity to participate*
23 *in the program.*

24 (B) *REQUIREMENTS.—*

1 (i) *DEPOSITS INTO DIRECT DEPOSIT*
2 *ACCOUNTS.—*

3 (I) *IN GENERAL.—A matched sav-*
4 *ings program established as part of a*
5 *pilot project shall match amounts*
6 *saved by each eligible individual par-*
7 *ticipating in the pilot project—*

8 (aa) *with the amount*
9 *matched to be equal to or less*
10 *than the amount of any payment*
11 *deferred by such individual under*
12 *the Refund to Rainy Day Savings*
13 *Program established in subsection*
14 *(a)(1); and*

15 (bb) *with the rate of match-*
16 *ing to be equal for all eligible in-*
17 *dividuals participating in the*
18 *program.*

19 (II) *TIMING.—Any amount de-*
20 *scribed in subclause (I) shall not be*
21 *distributed to an eligible individual*
22 *until the amounts described in sub-*
23 *paragraphs (C)(ii) or (E)(ii) of sub-*
24 *section (a)(1) have been distributed to*

1 *the bank account identified by such in-*
2 *dividual.*

3 (ii) *EVALUATION OF PROGRAM BY*
4 *INDEPENDENT RESEARCH ORGANIZATION.—*

5 (I) *IN GENERAL.—From amounts*
6 *made available under section 417(b)(2)*
7 *of the Assets for Independence Act, as*
8 *added by subsection (b)(1)(B), the Sec-*
9 *retary shall enter into a contract with*
10 *an independent research organization*
11 *for purposes of evaluating pilot*
12 *projects conducted under this section.*

13 (II) *COORDINATION.—Each quali-*
14 *fied entity that establishes a matched*
15 *savings program as part of a pilot*
16 *project shall collaborate with the inde-*
17 *pendent research organization de-*
18 *scribed in subclause (I) to evaluate the*
19 *outcomes and impact of the project.*

20 (III) *IMPACT.—The evaluation de-*
21 *scribed in subclause (I) shall include*
22 *an examination of the demographic*
23 *characteristics of the individuals par-*
24 *ticipating in the pilot project, such as*
25 *gender, race, age, geographic location,*

1 *and family makeup, and how the im-*
2 *pacts of the project vary among dif-*
3 *ferent demographic groups and the ef-*
4 *fects of the pilot program on retirement*
5 *savings for eligible individuals.*

6 (IV) *PROGRAM FEATURES.*—*The*
7 *program features to be evaluated*
8 *through the pilot projects conducted*
9 *under this section may include—*

10 (i) *different levels of match-*
11 *ing contributions by qualified en-*
12 *tities;*

13 (ii) *lock-out periods during*
14 *which an eligible individual may*
15 *not make withdrawals from their*
16 *account; and*

17 (iii) *educational materials*
18 *intended to promote savings.*

19 (V) *SAFEGUARDING PRIVACY.*—
20 *Any contract entered into under this*
21 *clause shall require the selected inde-*
22 *pendent research organization to take*
23 *all necessary and proper precautions to*
24 *protect eligible individuals' privacy*

1 *and personally identifiable informa-*
2 *tion when conducting the evaluation.*

3 (C) *DURATION.*—*A pilot project shall be for*
4 *a duration of not more than 3 years.*

5 (D) *FEDERALLY FUNDED BENEFITS.*—*Any*
6 *amounts described in subparagraph (B)(i) which*
7 *are distributed to an eligible individual shall be*
8 *treated in the same manner as any refund made*
9 *to such taxpayer under section 32 of the Internal*
10 *Revenue Code of 1986 for purposes of deter-*
11 *mining the eligibility of such taxpayer for bene-*
12 *fits or assistance, or the amount or extent of ben-*
13 *efits or assistance, under any Federal program*
14 *or under any State or local program financed in*
15 *whole or in part with Federal funds.*

16 (3) *STRATEGIC COMMUNICATIONS PLAN.*—*The*
17 *Secretary shall devise a strategic communications*
18 *plan to ensure a successful pilot program.*

19 (4) *ANNUAL REPORT TO CONGRESS.*—*The Sec-*
20 *retary shall submit an annual report to Congress on*
21 *the progress and outcomes of the pilot program estab-*
22 *lished under this section.*

23 (5) *DEFINITIONS.*—*In this subsection:*

24 (A) *ELIGIBLE INDIVIDUAL.*—*The term “eli-*
25 *gible individual” means an individual who—*

1 (i) has deferred payment of the amount
2 described in subsection (a)(1) under the Re-
3 fund to Rainy Day Savings Program estab-
4 lished in such subsection, and

5 (ii) meets the eligibility requirements
6 under section 408 of the Assets for Inde-
7 pendence Act, except that subsection (a)(2)
8 of such section shall not apply.

9 (B) QUALIFIED ENTITY.—

10 (i) IN GENERAL.—The term “qualified
11 entity” means—

12 (I) one or more not-for-profit or-
13 ganizations described in section
14 501(c)(3) of the Internal Revenue Code
15 of 1986 and exempt from taxation
16 under section 501(a) of such Code;

17 (II) a State or local government
18 agency, or a tribal government, sub-
19 mitting an application to conduct a
20 pilot project jointly with an organiza-
21 tion described in subclause (I);

22 (III) a site that offers free tax
23 help to individuals who qualify
24 through the Internal Revenue Service’s
25 Voluntary Income Tax Assistance or

1 *Tax Counseling for the Elderly pro-*
2 *grams; or*

3 *(IV) an entity that—*

4 *(aa) is—*

5 *(AA) a credit union des-*
6 *ignated as a low-income*
7 *credit union by the National*
8 *Credit Union Administra-*
9 *tion; or*

10 *(BB) an organization*
11 *designated as a community*
12 *development financial insti-*
13 *tution by the Secretary of the*
14 *Treasury (or the Community*
15 *Development Financial Insti-*
16 *tutions Fund); and*

17 *(bb) can demonstrate a col-*
18 *laborative relationship with a*
19 *local community-based organiza-*
20 *tion whose activities are designed*
21 *to address poverty in the commu-*
22 *nity and the needs of community*
23 *members for economic independ-*
24 *ence and stability.*

1 (V) *RULE OF CONSTRUCTION.*—
2 *Nothing in this paragraph shall be*
3 *construed as preventing an organiza-*
4 *tion described in clause (i)(I) from col-*
5 *laborating with a financial institution*
6 *or for-profit community development*
7 *corporation to carry out the purposes*
8 *of this section.*

Union Calendar No. 471

117TH CONGRESS
2^D SESSION

H. R. 7310

[Report No. 117-557, Part I]

A BILL

To protect America's retirement security, and for
other purposes.

DECEMBER 20, 2022

Committee on Ways and Means discharged; committed to
the Committee of the Whole House on the State of the
Union and ordered to be printed