

117TH CONGRESS
1ST SESSION

S. 2870

To create portable retirement and investment accounts for all Americans,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2021

Mr. WARNER introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To create portable retirement and investment accounts for
all Americans, 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.**

4 This Act may be cited as the “Portable Retirement
5 and Investment Account Act of 2021” or the “PRIA Act
6 of 2021”.

7 **SEC. 2. PORTABLE RETIREMENT AND INVESTMENT BOARD.**

8 (a) ESTABLISHMENT.—There is established a Port-
9 able Retirement and Investment Board (referred to in this

1 Act as the “Board”) to be headed by a Director (referred
2 to in this Act as the “Director”).

3 (b) MEMBERSHIP.—

4 (1) IN GENERAL.—The Board shall consist of—

5 (A) 3 members appointed by the Secretary
6 of the Treasury;

7 (B) 3 members appointed by the Secretary
8 of Labor;

9 (C) 2 members appointed by the Pension
10 Benefit Guaranty Corporation; and

11 (D) 1 member appointed by the Director of
12 the Bureau of Consumer Financial Protection.

13 (2) DEADLINE FOR APPOINTMENT.—The ap-
14 pointments described under paragraph (1) shall be
15 made not later than 1 year after the date of the en-
16 actment of this Act.

17 (3) LIMITATION.—In making appointments
18 under paragraph (1), the officials making such ap-
19 pointments shall coordinate to ensure that not more
20 than 5 members of the same political party may
21 serve on the Board at the same time.

22 (4) TERMS OF OFFICE.—Each member of the
23 Board shall hold office for a term of 5 years and
24 shall continue in office until such member’s suc-
25 cessor is appointed in the same manner as the origi-

1 nal appointment was made. The terms of office of
2 the members of the Board first taking office after
3 the date of the enactment of this Act shall expire as
4 follows: 1 at the end of 1 year, 2 at the end of 2
5 years, 2 at the end of 3 years, 2 at the end of 4
6 years, and 2 at the end of 5 years.

7 (5) VACANCIES.—Each member of the Board
8 shall continue in office until a successor is appointed
9 in the same manner as the original appointment was
10 made. Any vacancy on the Board shall be filled in
11 the same manner as the initial appointment was
12 made, and members of the Board appointed to fill
13 vacancies shall be appointed for the remainder of
14 such term.

15 (c) DIRECTOR.—

16 (1) IN GENERAL.—The Director shall be se-
17 lected by the President from among the members of
18 the Board.

19 (2) AUTHORITY TO ISSUE REGULATIONS.—The
20 Director is authorized to issue such regulations or
21 other guidance as the Director determines are nec-
22 essary to carry out the purposes of this Act.

1 **SEC. 3. CONTRACTS TO PROVIDE PORTABLE RETIREMENT**
2 **AND INVESTMENT ACCOUNTS.**

3 (a) IN GENERAL.—Not later than 1 year after the
4 date of the enactment of this Act, the Director shall estab-
5 lish a program under which—

6 (1) the Director shall invest the assets in each
7 PRIA Basic Account established under section 4 in
8 a lifecycle fund described in subsection (c); and

9 (2) the Director shall group PRIA Basic Ac-
10 counts so established into classes based on the year
11 the beneficiary of each such account will attain age
12 65.

13 Once a class of PRIA Basic Accounts contains, in the ag-
14 gregate, enough assets so that the establishment of a dedi-
15 cated target date fund for such class would be cost effec-
16 tive, the Director shall award (on a rotating basis) to an
17 entity certified under subsection (b) a contract to act as
18 trustee of all such accounts and to invest such accounts
19 in a lifecycle fund provided by the trustee as described
20 in subsection (c).

21 (b) CERTIFICATION OF TRUSTEES.—The Director
22 may not award a contract to an entity under subsection
23 (a) unless the Director has certified such entity under this
24 subsection. The Director shall establish certification cri-
25 teria which shall include the following:

1 (1) Expertise, including the professional quali-
2 fications, business model, experience, and training of
3 the trustee and any service providers that the trust-
4 ee intends to use.

5 (2) Registration, licensing, and financial sound-
6 ness demonstrating that participant funds would be
7 handled by a regulated financial entity.

8 (3) Reputation and customer service, including
9 records of comments or complaints from employers
10 and participants, timely consideration and resolution
11 of complaints filed, and independent rating or ac-
12 creditations.

13 (c) LIFECYCLE FUND.—A lifecycle fund described in
14 this subsection is a fund that—

15 (1) is comprised of an appropriate mix of index
16 funds;

17 (2) is automatically adjusted over time during
18 the time horizon of the fund;

19 (3) strikes a balance between expected risk and
20 return over the time horizon of the fund; and

21 (4) has an initial target retirement date that is
22 consistent with retirement at age 65.

23 (d) FIDUCIARY RESPONSIBILITY.—A trustee of a
24 portable retirement and investment account shall act as
25 a fiduciary to the account holder and shall discharge his

1 duties with respect to the account in the sole interest of
2 the account holder under rules similar to those applicable
3 to an ERISA fiduciary under section 404 of the Employee
4 Retirement Income Security Act of 1974 (29 U.S.C.
5 1104).

6 (e) CONTRACTS.—

7 (1) NUMBER OF CONTRACTS AWARDED, ETC.—

8 The Director shall enter into contracts with 10 enti-
9 ties at any given time to provide services under sub-
10 section (a), and shall not award a contract to any
11 entity which has an existing contract under such
12 subsection. Each such contract shall have a duration
13 of 5 years.

14 (2) CONSIDERATION.—In awarding contracts to
15 entities under subsection (a), the Director shall con-
16 sider—

17 (A) the specific composition of the lifecycle
18 funds provided by such trustee;

19 (B) the services to account holders offered
20 by such trustee, including available investment
21 advice;

22 (C) the fees charged by such trustee; and

23 (D) the importance of maintaining a diver-
24 sity of trustees.

1 **SEC. 4. ESTABLISHMENT; CONTRIBUTIONS.**

2 (a) ESTABLISHMENT.—

3 (1) PORTABLE RETIREMENT AND INVESTMENT
4 ACCOUNT FUND.—There is established in the Treas-
5 ury the Portable Retirement and Investment Ac-
6 count Fund (in this Act referred to as the “Fund”).
7 The Board shall, to the greatest extent practicable
8 and consistent with the requirements of this Act,
9 manage the Fund in the same manner as the Thrift
10 Savings Fund established under section 8437 of title
11 5, United States Code.

12 (2) ACCOUNTS.—For each individual for whom
13 a notification is made under clause (iv) of section
14 205(c)(2)(B) of the Social Security Act (42 U.S.C.
15 405(c)(2)(B)), as added by paragraph (3), or whose
16 name is included on the list submitted under para-
17 graph (4), not later than 90 days after such notifica-
18 tion or submission, the Director shall establish, with
19 such individual as the sole beneficiary, a portable re-
20 tirement and investment account (in this Act re-
21 ferred to as a “PRIA Basic Account”) within the
22 Fund.

23 (3) NOTIFICATION OF ISSUANCE OF SOCIAL SE-
24 CURITY ACCOUNT NUMBER.—

25 (A) IN GENERAL.—Section 205(c)(2)(B) of
26 the Social Security Act (42 U.S.C.

1 405(c)(2)(B)) is amended by adding at the end
2 the following:

3 “(iv) Not later than 60 days after assigning a social
4 security account number to an individual, the Commis-
5 sioner of Social Security shall notify the Director of the
6 Portable Retirement and Investment Account Board of
7 such assignment.”.

8 (B) EFFECTIVE DATE.—The amendment
9 made by subparagraph (A) shall apply with re-
10 spect to social security account numbers as-
11 signed after a certain date, to be designated by
12 the Director, occurring not later than 3 years
13 after the date of the enactment of this Act.

14 (4) TRANSITION.—Not later than the date des-
15 ignated pursuant to paragraph (3)(B), occurring not
16 later than 3 years after the date of the enactment
17 of this Act, the Commissioner of Social Security
18 shall submit to the Director a list of the name of
19 each living individual who has been assigned a social
20 security account number.

21 (b) FEDERAL CONTRIBUTIONS.—

22 (1) IN GENERAL.—In the case of an individual
23 for whom a notification is made under clause (iv) of
24 section 205(c)(2)(B) of the Social Security Act (42
25 U.S.C. 405(c)(2)(B)), as added by subsection (a)(3),

1 who is a child of a taxpayer who received a credit
2 against tax under section 32 of the Internal Revenue
3 Code of 1986 for the most recent taxable year end-
4 ing before the date of the notification under such
5 subsection, the Director shall deposit into the port-
6 able retirement and investment account (without re-
7 gard to whether such account is a PRIA Basic Ac-
8 count or a PRIA Choice Account described in sub-
9 section (f)) of the individual an amount determined
10 under paragraph (2).

11 (2) AMOUNT.—Subject to paragraph (3), the
12 amount determined under this paragraph is—

13 (A) in the case of a taxpayer eligible for
14 the maximum credit applicable to such indi-
15 vidual under section 32 of the Internal Revenue
16 Code of 1986, the applicable contribution
17 amount; and

18 (B) in any other case, a lower amount to
19 be determined under regulations issued by the
20 Secretary of the Treasury to reflect a propor-
21 tional reduction of such amount as the credit
22 under such section decreases.

23 (3) APPLICABLE CONTRIBUTION AMOUNT.—

1 (A) IN GENERAL.—For purposes of this
2 subsection, the term “applicable contribution
3 amount” means \$500.

4 (B) INFLATION ADJUSTMENT.—In the case
5 of any taxable year beginning in a calendar
6 year after 2021, the dollar amount in subpara-
7 graph (A) shall be increased by an amount
8 equal to—

- 9 (i) such dollar amount, multiplied by
10 (ii) the cost-of-living adjustment de-
11 termined under section 1(f)(3) of the In-
12 ternal Revenue Code of 1986 for the cal-
13 endar year in which the taxable year be-
14 gins, by substituting “calendar year 2020”
15 for “calendar year 2016” in subparagraph
16 (A)(ii) thereof.

17 Any increase determined under the preceding
18 sentence shall be rounded to the nearest mul-
19 tiple of \$10.

20 (4) CONTRIBUTION FOR TRANSFER.—If a bene-
21 ficiary of a PRIA Basic Account (or, in the case of
22 a beneficiary who is under 18 years of age, the par-
23 ent or guardian of the beneficiary) makes the elec-
24 tion under subsection (f), the Director shall provide
25 for a \$50 deposit if the beneficiary completes a fi-

1 nancial literacy training, as determined appropriate
2 by the Director.

3 (c) PERSONAL CONTRIBUTIONS.—

4 (1) IN GENERAL.—Except in the case of an in-
5 dividual who is an active participant (as defined in
6 section 219(g)(5) of the Internal Revenue Code of
7 1986) for any part of a plan year ending with or
8 within the calendar year, the beneficiary of a PRIA
9 Basic or PRIA Choice Account may contribute addi-
10 tional funds for deposit into such account during the
11 calendar year.

12 (2) DIRECT DEPOSIT.—Any employer who per-
13 mits wages to be paid to an employee described in
14 paragraph (5) by electronic funds transfer shall per-
15 mit such employee to elect to deposit, by means of
16 electronic funds transfer, a portion of such wages
17 specified by the employee into the employee's port-
18 able retirement and investment account.

19 (3) AUTOMATIC CONTRIBUTION ARRANGE-
20 MENT.—Any employer may provide that an employee
21 described in paragraph (5) is treated as having
22 elected to have the employer make contributions in
23 an amount equal to a uniform percentage of com-
24 pensation disclosed in advance to the employee until
25 the employee specifically elects not to have such con-

1 contributions made (or specifically elects to have such
2 contributions made at a different percentage). Such
3 uniform percentage of compensation may automati-
4 cally increase according to a schedule provided by
5 the employer.

6 (4) SUPERSEDURE.—Paragraph (3) shall super-
7 sede any law of any State (within the meaning of
8 section 514(c)(1) of title 29) which would directly or
9 indirectly prohibit an employer from adopting an ar-
10 rangement described in paragraph (3). The Director
11 may prescribe regulations which would establish
12 minimum standards that such an arrangement
13 would be required to satisfy in order for this para-
14 graph to apply in the case of such arrangement.

15 (5) EMPLOYEE DESCRIBED.—An employee de-
16 scribed in this paragraph is an individual—

17 (A) whose employer does not maintain a
18 qualified retirement plan (as defined in section
19 4974(c) of the Internal Revenue Code of 1986);

20 (B) whose employment consists of work
21 (whether or not as an employee) through mobile
22 platforms; or

23 (C) who is not eligible to participate in the
24 qualified retirement plan (as so defined) of the
25 employee's employer.

1 (6) CONTRIBUTION LIMIT.—The aggregate
2 amount of contributions under this subsection for
3 any taxable year to the individual’s PRIA Basis or
4 PRIA Choice Account shall not exceed the amount
5 allowable under section 219(b) of the Internal Rev-
6 enue Code of 1986 with respect to the individual for
7 the taxable year.

8 (d) EMPLOYER AND MOBILE PLATFORM DUTIES AND
9 RESPONSIBILITIES.—

10 (1) CONTRIBUTIONS.—The employer of a bene-
11 ficiary of a PRIA Basic or PRIA Choice Account
12 may at any time contribute additional funds for de-
13 posit into such account, to the extent the total of
14 such contributions under this subsection and sub-
15 section (c) does not exceed the limitation in effect
16 with respect to the individual under subsection
17 (c)(6) for the taxable year.

18 (2) MAINTENANCE OF DIRECT DEPOSIT MECHA-
19 NISM.—Any employer that does not maintain a
20 qualified retirement plan (as defined in section
21 4974(c) of the Internal Revenue Code of 1986) or
22 maintains such a plan eligibility for which is re-
23 stricted to only certain employees shall provide a
24 mechanism for the direct deposit of funds as de-

1 scribed in subsection (c)(2) for each employee of the
2 employer.

3 (3) MOBILE PLATFORMS.—Any mobile platform
4 through which individuals perform work and receive
5 compensation (whether or not as an employee) shall
6 provide a mechanism for the direct deposit of funds,
7 by means of electronic funds transfer, identified by
8 the individual into the individual’s portable retire-
9 ment and investment account.

10 (e) REPORTING REQUIREMENTS FOR EMPLOYERS
11 MAKING CONTRIBUTIONS.—In the case of any employer
12 that makes contributions to a PRIA Basic or PRIA Choice
13 Account on behalf of the employer’s employees, rules simi-
14 lar to the rules applicable to simple retirement accounts
15 under section 2(h) of the Employee Retirement and In-
16 come Security Act of 1974 (29 U.S.C. 1001(h)) shall
17 apply.

18 (f) TRANSFER OPTION.—

19 (1) IN GENERAL.—A beneficiary of a PRIA
20 Basic Account (or, in the case of a beneficiary who
21 is under 18 years of age, the parent or guardian of
22 the beneficiary) may elect at any time to transfer
23 the entire amount in such portable retirement and
24 investment account to any PRIA Choice Account (as
25 defined in section 223A of the Internal Revenue

1 Code of 1986) with such beneficiary as the sole ben-
2 eficiary. Such account shall be held by a custodial
3 entity such as a bank, credit union, trust company
4 or an entity that is licensed and regulated by the
5 Secretary pursuant to requirements consistent with
6 section 1.408–2e of title 26, Code of Federal Regu-
7 lations. Investments in such accounts are not subject
8 to the limitation to lifecycle funds described in sec-
9 tion 3.

10 (2) NOTIFICATIONS.—

11 (A) STATEMENTS.—The Director shall en-
12 sure that account statements are delivered to
13 the beneficiary of a portable retirement and in-
14 vestment account by electronic delivery to the
15 extent practicable.

16 (B) NOTICE OF TRANSFER OPTION.—

17 When the amount in a portable retirement and
18 investment account first exceeds \$15,000 and
19 when the beneficiary of the account attains the
20 age of 18, the Director shall notify the bene-
21 ficiary of the account of the option under para-
22 graph (3) to transfer the entire amount in such
23 account to an individual retirement account.

24 (3) IRA ROLLOVER.—A beneficiary of a PRIA
25 Basic or a PRIA Choice Account (or, in the case of

1 a beneficiary who is under 18 years of age, the par-
2 ent or guardian of the beneficiary) may elect at any
3 time to transfer the entire amount in such account
4 to an individual retirement account (as defined in
5 section 408 of the Internal Revenue Code of 1986)
6 with such beneficiary as the sole beneficiary. For
7 purposes of such Code, such a rollover shall be treat-
8 ed as described in section 408(d)(3) of such Code.

9 **SEC. 5. OPTIONAL TREATMENT OF CONTRIBUTIONS AS**
10 **ROTH CONTRIBUTIONS.**

11 (a) IN GENERAL.—The Fund (or custodial entity in
12 the case of a PRIA Choice Account) shall allow an indi-
13 vidual to designate all or a portion of any contributions
14 otherwise allowed to be made to a PRIA Basic or PRIA
15 Choice Account as Roth contributions. Any contribution
16 so designated shall be treated as a contribution to a PRIA
17 Basic or PRIA Choice Account, as the case may be, for
18 purposes of this Act and the Internal Revenue Code of
19 1986, except that no deduction shall be allowed with re-
20 spect to any such contribution.

21 (b) SEPARATE ACCOUNTING.—The Fund (or such
22 custodial entity) shall provide for separate accounts for
23 amounts designated as Roth contributions under sub-
24 section (a) and earnings attributable thereto.

1 (c) DESIGNATION LIMIT.—The amount of contribu-
2 tions which an individual may designate under subsection
3 (a) shall not exceed the excess (if any) of—

4 (1) the maximum amount of contributions al-
5 lowed for such individual for the taxable year under
6 section 4(c)(6); over

7 (2) the aggregate amount of contributions of
8 the individual for the taxable year which the indi-
9 vidual does not designate under subsection (a).

10 (d) ROTH IRA RULES APPLICABLE.—Except to the
11 extent otherwise provided in this section, rules similar to
12 the rules of section 408A of the Internal Revenue Code
13 of 1986 shall apply with respect to amounts designated
14 under subsection (a) (and the earnings attributable there-
15 to).

16 **SEC. 6. DATA PORTAL.**

17 (a) IN GENERAL.—The Director shall establish a
18 standardized portal for the Fund (or each custodial entity
19 in the case of PRIA Choice Account), and any plan admin-
20 istrator (as defined in section 414(g) of the Internal Rev-
21 enue Code of 1986) of a plan to which section 6058 of
22 the Internal Revenue Code of 1986 applies, to submit the
23 reports required under subsection (b), the back end of
24 which is developed and standardized to ensure ease of data
25 upload by plan sponsors.

1 (b) REPORTS REQUIRED.—Each such plan adminis-
2 trator, and the Fund or each such custodial entity in the
3 case of a PRIA Basic or PRIA Choice Account, shall re-
4 port on a quarterly basis to the Director, by uploading
5 such report to the portal established under subsection (a).

6 Each such report shall include—

7 (1) information on the assets held by such ac-
8 count as of market close the day before the last day
9 of the quarter;

10 (2) the balance of the account on the first and
11 last day of the quarter;

12 (3) the gross of contributions, withdrawals,
13 transfers, and realized and unrealized gains and
14 losses (reported separately by fund) with respect to
15 the account;

16 (4) expense ratios, reported separately by fund;

17 (5) the rate of return for the preceding 12
18 months, reported both overall and separately by
19 fund; and

20 (6) the lifetime income stream equivalent of the
21 total benefits accrued (as defined in section
22 105(a)(2)(D)(i)(II) of the Employee Retirement In-
23 come Security Act of 1974 (29 U.S.C.
24 1025(a)(2)(D)(i)(II))) in the account as of the last
25 day of the quarter.

1 (c) FAILURE TO PROVIDE REPORT.—Any failure to
2 provide the report pursuant to subsection (b) shall be
3 treated by the Secretary of the Treasury as a failure to
4 file a return or statement required under section 6058 of
5 the Internal Revenue Code of 1986.

6 (d) REGULATIONS.—The Director may prescribe
7 such regulations as may be necessary or appropriate to
8 carry out the purposes of this section.

9 (e) APPROPRIATIONS.—There is appropriated to the
10 Director, out of any funds in the Treasury not otherwise
11 appropriated, such funds as are necessary to carry out the
12 requirements of this section, including for the development
13 and ongoing hosting costs of the portal established under
14 subsection (a).

15 (f) RULE OF CONSTRUCTION.—Compliance with the
16 provisions of this section requiring plan sponsors to dis-
17 close or share information shall not constitute a violation
18 of the provisions of Gramm-Leach-Bliley Act or the Em-
19 ployee Retirement Income Security Act of 1974.

20 **SEC. 7. TAX TREATMENT OF PORTABLE RETIREMENT AND**
21 **INVESTMENT ACCOUNTS.**

22 (a) IN GENERAL.—Section 7701 of the Internal Rev-
23 enue Code of 1986 is amended by redesignating subsection
24 (p) as subsection (q) and by inserting after subsection (o)
25 the following new subsection:

1 “(p) TAX TREATMENT OF PORTABLE RETIREMENT
2 AND INVESTMENT ACCOUNTS.—For purposes of this
3 title—

4 “(1) IN GENERAL.—Any portable retirement
5 and investment account shall be treated as an indi-
6 vidual retirement plan, and, except to the extent pro-
7 vided in section 223A or the Portable Retirement
8 and Investment Account Act of 2021, any contribu-
9 tion to, or distribution from, such a portable retire-
10 ment and investment account shall be treated in the
11 same manner as contributions to, or distributions
12 from, such a plan.

13 “(2) TREATMENT OF ROTH CONTRIBUTIONS.—
14 Any portable retirement and investment account to
15 which Roth contributions are made pursuant to sec-
16 tion 5 of such Act shall be treated as a Roth IRA
17 with respect to such contributions under rules simi-
18 lar to the rules of paragraph (1).

19 “(3) PORTABLE RETIREMENT AND INVESTMENT
20 ACCOUNT.—The term ‘portable retirement and in-
21 vestment account’ means—

22 “(A) a PRIA Basic Account established
23 under section 4 of the Portable Retirement and
24 Investment Account Act of 2021, and

1 “(B) a PRIA Choice Account (as defined
2 in section 223A(c)).”.

3 (b) OTHER RULES RELATING TO PRIA CHOICE AC-
4 COUNTS.—Part VII of subchapter B of chapter 1 of the
5 Internal Revenue Code of 1986 is amended by inserting
6 after section 223 the following new section:

7 **“SEC. 223A. PRIA CHOICE ACCOUNTS.**

8 “(a) DEDUCTION ALLOWED.—

9 “(1) IN GENERAL.—There shall be allowed as a
10 deduction for the taxable year an amount equal to
11 the aggregate amount paid in cash during such tax-
12 able year to a PRIA Choice Account by the account
13 beneficiary.

14 “(2) CERTAIN RULES TO APPLY.—Rules similar
15 to section 219(d)(2) (relating to no deduction for
16 rollovers) shall apply for purposes of this section.

17 “(b) MAXIMUM AMOUNT OF DEDUCTION.—The
18 amount allowable as a deduction under subsection (a) to
19 any individual for any taxable year shall not exceed the
20 amount allowable under section 219(b) of the Internal
21 Revenue Code of 1986 with respect to the individual for
22 the taxable year.

23 “(c) PRIA CHOICE ACCOUNT.—

24 “(1) IN GENERAL.—For purposes of this title,
25 the term ‘PRIA Choice Account’ means a trust cre-

1 ated or organized in the United States for the exclu-
2 sive benefit of an individual, but only if the written
3 governing instrument creating the trust meets the
4 following requirements:

5 “(A) The trustee is a bank (as defined in
6 section 408(n) of the Internal Revenue Code of
7 1986) or such other person who demonstrates
8 to the satisfaction of the Secretary that the
9 manner in which such other person will admin-
10 ister the trust will be consistent with the re-
11 quirements of this section.

12 “(B) The amounts in the trust may consist
13 only of—

14 “(i) deposits under section 4(b) of the
15 Portable Retirement and Investment Ac-
16 count Act of 2021,

17 “(ii) amounts described in subsection
18 (a)(1),

19 “(iii) amounts deposited by an em-
20 ployer of the account beneficiary,

21 “(iv) interest on amounts in such
22 trust, and

23 “(v) proceeds from investment of
24 amounts in such trust.

1 “(C) Except in the case of a rollover con-
2 tribution described in subsection (d)(4), no con-
3 tribution will be accepted unless it is in cash.

4 “(D) No contributions in excess of the
5 amount that is twice the dollar amount in effect
6 under subsection (b)(1)(A) will be accepted dur-
7 ing a calendar year.

8 “(E) Amounts in the trust will be invested
9 in not more than 15 total funds, and will be in-
10 vested in at least 5 total broad market, low-fee
11 funds, bonds, or lifecycle funds. The remaining
12 funds may include not more than 5 niche funds
13 and not more than 5 annuity funds, but all in-
14 vestments must be made in diversified funds
15 which represent a prudent investment.

16 “(F) No distribution that would bring the
17 account balance below the amount deposited in
18 such trust under section 4(b)(1) of the Portable
19 Retirement and Investment Account Act of
20 2021 is allowed to an account beneficiary who
21 has not attained the age 59½.

22 “(2) PRIA CHOICE ANNUITIES.—Rules similar
23 to the rules of section 408(b) shall apply with re-
24 spect to PRIA Choice Accounts in the case of a tax-

1 payer purchasing an annuity contract or an endow-
2 ment contract from a life insurance company.

3 “(d) TAX TREATMENT OF ACCOUNTS.—

4 “(1) IN GENERAL.—A PRIA Choice Account is
5 exempt from taxation under this subtitle unless such
6 account has ceased to be a PRIA Choice Account.
7 Notwithstanding the preceding sentence, any such
8 account is subject to the taxes imposed by section
9 511 (relating to imposition of tax on unrelated busi-
10 ness income of charitable, etc., organizations).

11 “(2) ACCOUNT TERMINATIONS.—Rules similar
12 to the rules of paragraphs (2) and (4) of section
13 408(e) shall apply to PRIA Choice Accounts, and
14 subsection (e)(2) shall not apply to any amount
15 treated as distributed under such rules.

16 “(e) TAX TREATMENT OF DISTRIBUTIONS.—For
17 rules relating to distributions, see section 7701(p).

18 “(f) LOANS TREATED AS DISTRIBUTIONS.—For pur-
19 poses of this section—

20 “(1) IN GENERAL.—If during any taxable year
21 a participant or beneficiary receives (directly or indi-
22 rectly) any amount as a loan from a PRIA Choice
23 Account, such amount shall be treated as having
24 been received by such individual as a distribution
25 from such account.

1 “(2) EXCEPTION FOR CERTAIN LOANS.—

2 “(A) GENERAL RULE.—Paragraph (1)
3 shall not apply to any loan to the extent that
4 such loan (when added to the outstanding bal-
5 ance of all other loans from such account), does
6 not exceed the lesser of—

7 “(i) \$50,000, reduced by the excess (if
8 any) of—

9 “(I) the highest outstanding bal-
10 ance of loans from the account during
11 the 1-year period ending on the day
12 before the date on which such loan
13 was made, over

14 “(II) the outstanding balance of
15 loans from the plan on the date on
16 which such loan was made, or

17 “(ii) the greater of—

18 “(I) one-half of the amount in
19 the account, or

20 “(II) \$10,000.

21 “(B) REQUIREMENT THAT LOAN BE RE-
22 PAYABLE WITHIN 5 YEARS.—

23 “(i) IN GENERAL.—Subparagraph (A)
24 shall not apply to any loan unless such

1 loan, by its terms, is required to be repaid
2 within 5 years.

3 “(ii) EXCEPTION FOR HOME LOANS.—
4 Clause (i) shall not apply to any loan used
5 to acquire any dwelling unit which within
6 a reasonable time is to be used (deter-
7 mined at the time the loan is made) as the
8 principal residence of the participant.

9 “(C) REQUIREMENT OF LEVEL AMORTIZA-
10 TION.—Except as provided in regulations, this
11 paragraph shall not apply to any loan unless
12 substantially level amortization of such loan
13 (with payments not less frequently than quar-
14 terly) is required over the term of the loan.

15 “(g) EMPLOYER DEDUCTIONS.—

16 “(1) IN GENERAL.—For deductions related to
17 employer contributions, see section 162.

18 “(2) NONDISCRIMINATION.—Under regulations
19 prescribed by the Secretary, notwithstanding section
20 162, no deduction shall be allowed for employer con-
21 tributions to a PRIA Choice Account on behalf of an
22 employee who is a highly compensated employee (as
23 defined in section 414(q)) if the employer contribu-
24 tions made on behalf of all employees discriminate in

1 favor of such employees who are highly compensated
2 employees.

3 “(3) CERTAIN CONTROLLED GROUPS.—All em-
4 ployees who are treated as employed by a single em-
5 ployer under subsections (b), (c), and (m) of section
6 414 shall be treated as employed by a single em-
7 ployer for purposes of this subsection.

8 “(h) INFLATION ADJUSTMENT.—

9 “(1) IN GENERAL.—In the case of any taxable
10 year beginning in a calendar year after 2021, the
11 dollar amounts under subsection (b) and subsection
12 (c)(4) shall be increased by an amount equal to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-
15 mined under section 1(f)(3) for the calendar
16 year in which the taxable year begins, deter-
17 mined by substituting ‘calendar year 2020’ for
18 ‘calendar year 2016’ in subparagraph (A)(ii)
19 thereof.

20 “(2) ROUNDING RULES.—If any amount after
21 adjustment under paragraph (1) is not a multiple of
22 \$500, such amount shall be rounded to the next
23 lower multiple of \$500.

24 “(i) PORTABLE RETIREMENT AND INVESTMENT
25 BOARD.—The Portable Retirement and Investment Board

1 established under section 2 of the Portable Retirement
 2 and Investment Account Act of 2021 shall deposit any
 3 contribution to the PRIA Basic Account of an individual
 4 who has made the election under section 4(f)(1) of such
 5 Act into the PRIA Choice Account of the individual. Such
 6 contribution shall be treated as if made directly to such
 7 PRIA Choice Account.”.

8 (c) CLERICAL AMENDMENTS.—The table of sections
 9 for chapter 1 is amended by inserting after the item re-
 10 lated to section 223 the following new item:

“Sec. 223A. PRIA Choice Accounts.”.

11 **SEC. 8. OPTION TO ROLL OVER.**

12 (a) IN GENERAL.—Any individual who holds an ac-
 13 count described in subsection (c) may elect to roll over
 14 the entire amount in such account into a PRIA Choice
 15 Account (as defined in section 223A of the Internal Rev-
 16 enue Code of 1986). Such rollover shall be treated as a
 17 rollover described in section 223A(e)(4) of the Internal
 18 Revenue Code of 1986.

19 (b) ORPHANED ACCOUNTS.—The trustee of any ac-
 20 count described in subsection (c) the beneficiary of which
 21 cannot be located or has ceased to exercise control over
 22 the assets of the account may transfer such account to
 23 a PRIA Basic or PRIA Choice Account in the name of
 24 the beneficiary in accordance with regulations issued by
 25 the Secretary of the Treasury. Such a transfer shall be

1 treated as a rollover described in section 223A(e)(4) of
2 the Internal Revenue Code of 1986.

3 (c) ACCOUNTS DESCRIBED.—This subsection shall
4 apply to accounts opened or annuity contracts purchased
5 pursuant to the following sections of the Internal Revenue
6 Code of 1986:

7 (1) Section 401(k).

8 (2) Section 403(b).

9 (3) Section 457.

10 (4) Section 409A.

11 (5) Section 408.

12 **SEC. 9. REGULATIONS.**

13 Not later than 180 days after the date of the enact-
14 ment of this Act, the Secretary of the Treasury, in coordi-
15 nation with the Commissioner of Social Security, as deter-
16 mined necessary by the Secretary, shall issue regulations
17 to carry out this Act.

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