

MEMORANDUM

To: The NCSL Insurance Task Force
From: Paul J. Richman
Chief Government and Political Affairs Officer
Date: December 11, 2019
Re: SECURE Act Update



On behalf of the Insured Retirement Institute and our member companies, we are pleased to provide you with an update on the status of congressional action with regard to [H.R. 1994](#) – the Setting Every Community Up for Retirement Enhancement (SECURE) Act.

First, we want to thank and recognize the Task Force for its leadership in obtaining a letter from NCSL to the leadership of the U.S. Senate expressing this organization's strong support for the SECURE Act. As NCSL stated in its letter, the SECURE Act is legislation that will increase financial independence, provide citizens more avenues for long-term savings, and expands options to best prepare Americans for retirement.

IRI and its members were grateful for the NCSL support because it was a new voice that had not yet been heard from -- weighing in strongly and joining in the effort which was and continues to be underway to enhance retirement security for millions more American workers.

Where does the SECURE Act stand now?

The SECURE Act remains stuck in the Senate with three Republican Senators opposing the bill's advancement. Those three Senators all have different objections to allowing the bill to move to a vote in the Senate – none of which relate to the core retirement security provisions contained in the bill.

The Senators who have expressed objections are:

- Senator Ted Cruz from Texas who objects because the SECURE Act contains a measure to expand the use of 529 saving accounts but does not contain a proposal, he is advocating for to expand the use for homeschooling costs;
- Senator Lee from Utah – who objects to the community newspapers pension funding relief measure include in the bill; and
- Senator Toomey from Pennsylvania – who wants to see another tax related measure which would fix a problem caused by the Tax Cuts and Jobs Act law passed back in December 2017 that he has introduced included in the SECURE Act. His bill would fix a drafting error made in the previous bill so that it would allow for restaurants and retailers to take full advantage of a provision that was meant to spur renovations and investment known as the "qualified improvement property" (QIP) to ensure the full cost of store, office, or building improvements can be immediately expensed as was originally intended.

We are fast approaching the time when Congress will recess before the end of the year – a time when most often Congress springs into action and passes a "big bill" containing a lot of other bills – all of which are seeking a legislative vehicle to ride on and be enacted into law.

There are now two potential vehicles to which the SECURE Act could be attached. They are an omnibus/minibus appropriation bills that will fund the federal government for the remainder of its fiscal year since the current funding authorization runs out on December 20th or a tax bill which could include extensions of expiring tax incentives and technical corrections/fixes to the Tax Cuts and Jobs Act passed back in December 2017.

What is the outlook for action on the SECURE Act?

It is very difficult to predict the outcome as to whether the SECURE Act will be acted on – but we should know more soon – as whatever bills are going to move – need to be made public 72 hours before they are voted on under the rules of the U.S. House of Representatives.

We at IRI remain optimistic that the SECURE Act will become law.

We know that America's retirement security is important to many Americans and we know that our Members of Congress realize that our nation is facing a looming retirement crisis for which action is required today in order to stem the tide we know is coming.

It is fact that every day between now and the year 2030 her in the United States, 10,000 people will reach age 65 and many of these retirees will live 20-30 years or longer in retirement increasing the risk for them to outliving retirement assets because of longer lifespans.

We know that according to Pew Charitable Trust research -- 69% of Americans are not satisfied with their current personal financial condition when thinking of assets, debts, and savings

But we also know we have a good start to a solution to help us face the crisis – that being the SECURE Act.

The SECURE Act will:

- make it easier for employers to provide both full-time and part-time workers with the opportunity participate in a workplace retirement plan;
- expand and preserve opportunities for more small businesses to join and pool their resources to offer their employees retirement benefits;
- offer enhanced plan features like auto enrollment and escalation;
- increase access to lifetime income products in workplace plans to mitigate the risk people face of outliving assets they are accumulating for their retirement; and
- provide new information to help workers make more informed decisions about their retirement finances.

And most importantly – the immediate impact enactment of the SECURE Act will have for:

- 700,000 new retirement account holders;
- 500,000 volunteer firefighters;
- 18,000 Gold Star families;
- 4 million defined benefit plan participants; and
- 1400 religiously affiliated organizations.

What can you do to help advance the SECURE Act?

Over the next week or so – we would ask that you all please contact your respective members of the House and Senate to ask them to please weigh in with the leadership of their respective chambers and ask them to include the SECURE Act in whatever legislation is going to move before the end of the year.

Again, thank you for your support of the efforts to pass the SECURE Act.