
SECURE Act still stuck in Washington gridlock

By Editorial Staff Thu, Nov 14, 2019

With the impeachment hearings and the looming 2020 election taking up much of legislators' bandwidth, the SECURE Act continues to be going nowhere fast in the Senate.

The SECURE Act remains in limbo in the Senate, having failed to pass by unanimous consent as it did in the House last May. Senators Pat Toomey (R-PA), Ted Cruz (R-TX) and Mike Lee (R-UT) have placed holds on the bill, which contains reforms that the retirement industry has long lobbied for.

The bill would, among other things, make it easier for smaller employers to join open multiple employer plans, ease non-discrimination rules for frozen defined benefit plans and add a safe harbor for selecting lifetime income providers in defined contribution plans. It also increases the automatic-enrollment safe harbor cap to 15% from 10%.

Senators have added 10 amendments, with five from each party. The five amendments that Senate Republicans were:

- Fixing a drafting error in the Tax Cuts and Jobs Act to ensure the full cost of store, office, or building improvements can be immediately expensed, as was originally intended (offered by Mr. Toomey).
- Expanding 529 college savings plans to cover expenses of K-12 students and educational costs for home-schooled students (offered by Sen. Cruz).
- Allowing individuals with terminal illnesses to take out money from their retirement plans early penalty free (offered by Sen. Richard Burr (R-NC)).
- Expanding the existing provision in the bill that allows 529s to be used for apprenticeship programs. Currently, the SECURE Act only allows for Department of Labor-recognized apprenticeships (offered by Sen. Mike Braun (R-IN)).
- Removing a SECURE Act provision that would provide pension funding relief for community newspapers (offered by Sen. Lee).

According to a report in Pensions & Investments website, Sen. Patty Murray, D-Wash., objected, saying the amendments offered are “not in the interest of working families and will kill any chance this bill has of becoming law. She asked Toomey to modify his request to consider the House version of the bill, to which he declined.

Sen. Rob Portman (R-OH) urged his colleagues to pass the SECURE Act. “For the past 5 1/2 months some of us have been trying to get this legislation done. I think it’s time for us to

move forward with these reforms.”

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