

105TH CONGRESS  
1ST SESSION

# H. R. 1377

To amend title I of the Employee Retirement Income Security Act of 1974  
to encourage retirement income savings.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. FAWELL (for himself, Mr. PAYNE, Mr. GOODLING, Mr. POMEROY, Mr. KNOLLENBERG, Mr. PETRI, Mr. FROST, Mr. CASTLE, Mr. TALENT, Mrs. ROUKEMA, Mr. BALLENGER, Mr. MARTINEZ, Mr. SAXTON, Mr. FATAH, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. MCKEON, Mr. UPTON, Mrs. KELLY, Mr. TOWNS, Mr. HILLIARD, Ms. NORTON, Mr. MCCOLLUM, Mr. CALVERT, Mr. WELLER, and Ms. WATERS) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend title I of the Employee Retirement Income Security Act of 1974 to encourage retirement income savings.

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 “Savings Are Vital to  
5 Everyone’s Retirement Act of 1997”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds as follows:

1           (1) The impending retirement of the baby boom  
2 generation will severely strain our already overbur-  
3 dened entitlement system, mandating increased reli-  
4 ance on pension and other personal savings.

5           (2) A survey released this year by the Employee  
6 Benefits Research Institute found that less than a  
7 third of Americans have even tried to calculate how  
8 much they will need to have saved by retirement,  
9 and that less than 20 percent are very confident  
10 they will have enough money to live comfortably  
11 throughout their retirement.

12           (3) A leading obstacle to expanding retirement  
13 savings is the simple fact that far too many Ameri-  
14 cans—particularly the young—are either unaware  
15 of, or without the knowledge and resources necessary  
16 to take advantage of, the extensive benefits offered  
17 by our retirement savings system.

18           (b) PURPOSE.—It is the purpose of this section—

19           (1) to advance the public’s knowledge and un-  
20 derstanding of retirement savings and its critical im-  
21 portance to the future well-being of American work-  
22 ers and their families;

23           (2) to provide for a periodic, bipartisan national  
24 retirement savings summit in conjunction with the

1 White House to elevate the issue of savings to na-  
2 tional prominence; and

3 (3) to initiate the development of a broad-  
4 based, public education program to encourage and  
5 enhance individual commitment to a personal retire-  
6 ment savings strategy.

7 **SEC. 3. OUTREACH BY THE DEPARTMENT OF LABOR.**

8 (a) IN GENERAL.—Part 5 of subtitle B of title I of  
9 the Employee Retirement Income Security Act of 1974  
10 (29 U.S.C. 1131 et seq.) is amended by adding at the end  
11 the following new section:

12 “OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS

13 “SEC. 516. (a) IN GENERAL.—The Secretary shall  
14 maintain an ongoing program of outreach to the public  
15 designed to effectively promote retirement income savings  
16 by the public.

17 “(b) METHODS.—The Secretary shall carry out the  
18 requirements of subsection (a) by means which shall en-  
19 sure effective communication to the public, including pub-  
20 lication of public service announcements, public meetings,  
21 creation of educational materials, and establishment of a  
22 site on the Internet.

23 “(c) INFORMATION TO BE DISSEMINATED.—The in-  
24 formation to be disseminated by the Secretary as part of  
25 the program of outreach required under subsection (a)  
26 shall include the following:

1           “(1) a description of the vehicles currently  
2           available to individuals and employers for creating  
3           and maintaining retirement income savings, specifi-  
4           cally including information explaining to employers,  
5           in simple terms, how to establish each of the dif-  
6           ferent retirement savings vehicles for their workers,  
7           and

8           “(2) information regarding matters relevant to  
9           establishing retirement income savings, such as—

10                   “(A) the forms of retirement income sav-  
11                   ings,

12                   “(B) the concept of compound interest,

13                   “(C) the importance of commencing sav-  
14                   ings early in life,

15                   “(D) savings principles,

16                   “(E) the importance of prudence and di-  
17                   versification in investing, and

18                   “(F) the importance of the timing of in-  
19                   vestments.

20           “(d) ESTABLISHMENT OF SITE ON THE INTERNET.—

21           The Secretary shall establish a permanent site on the  
22           Internet concerning retirement income savings. The site  
23           shall contain at least the following information:

24                   “(1) a means for individuals to calculate their  
25                   estimated retirement savings needs, based on their

1 financial goal as a percentage of their preretirement  
2 income;

3 “(2) a thorough description of each type of re-  
4 tirement income savings arrangement available to  
5 both individuals and employers (specifically including  
6 small employers), including information on the  
7 amount of money that can be placed into a given ve-  
8 hicle, the tax treatment of the money, and the  
9 amount of accumulation possible through different  
10 investment options and interest rate projections;

11 “(3) materials explaining to employers in simple  
12 terms how to establish different retirement savings  
13 arrangements for their workers and what the legal  
14 requirements are under this Act, the Internal Reve-  
15 nue Code of 1986, and related provisions of law;

16 “(4) copies of all educational materials devel-  
17 oped by the Department of Labor, and by other  
18 Federal agencies in consultation with such Depart-  
19 ment, to promote retirement income savings by  
20 workers and employers; and

21 “(5) links to other sites maintained on the  
22 Internet by governmental agencies and nonprofit or-  
23 ganizations that provide additional detail on retire-  
24 ment income savings arrangements and related top-  
25 ics on savings or investing.

1       “(e) COORDINATION.—The Secretary shall coordinate  
2 the outreach program under this section with similar ef-  
3 forts undertaken by other public and private entities.”.

4       (b) CONFORMING AMENDMENT.—The table of con-  
5 tents in section 1 of such Act is amended by inserting  
6 after the item relating to section 514 the following new  
7 items:

“Sec. 515. Delinquent contributions.

“Sec. 516. Outreach to promote retirement income savings.”.

8 **SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAVINGS.**

9       (a) IN GENERAL.—Part 5 of subtitle B of title I of  
10 the Employee Retirement Income Security Act of 1974 (as  
11 amended by section 3 of this Act) is amended further by  
12 adding at the end the following new section:

13       “NATIONAL SUMMIT ON RETIREMENT SAVINGS

14       “SEC. 517. (a) AUTHORITY TO CALL SUMMIT.—Not  
15 later than April 15, 1998, the President shall convene a  
16 National Summit on Retirement Income Savings at the  
17 White House, to be hosted by the President with the bi-  
18 partisan support of both Houses of the Congress. Such  
19 a National Summit shall be convened thereafter in 2001  
20 and every 4 years thereafter on or after September 1 of  
21 each year involved. Such a National Summit shall—

22               “(1) advance the public’s knowledge and under-  
23 standing of retirement savings and its critical impor-

1 tance to the future well-being of American workers  
2 and their families;

3 “(2) facilitate the development of a broad-  
4 based, public education program to encourage and  
5 enhance individual commitment to a personal retire-  
6 ment savings strategy;

7 “(3) develop recommendations for additional re-  
8 search and public policy recommendations and ac-  
9 tions in the field of retirement income savings; and

10 “(4) disseminate the report of, and information  
11 obtained by, the National Summit and exhibit mate-  
12 rials and works of the National Summit.

13 “(b) PLANNING AND DIRECTION.—The National  
14 Summit shall be planned and conducted under the direc-  
15 tion of the Secretary, in consultation with, and with the  
16 assistance of, the heads of such other Federal departments  
17 and agencies as the President may designate. Such assist-  
18 ance may include the assignment of personnel. The Sec-  
19 retary shall, in planning and conducting the National  
20 Summit, consult with the congressional leaders specified  
21 in subsection (e)(2). The Secretary shall also, in carrying  
22 out the Secretary’s duties under this subsection, consult  
23 and coordinate with at least one organization made up of  
24 private sector businesses and associations partnered with  
25 Government entities to promote long-term financial secu-

1 rity in retirement through savings (including for 1998,  
2 and thereafter as the Secretary may deem appropriate, the  
3 American Savings Education Council).

4 “(c) PURPOSE OF NATIONAL SUMMIT.—The purpose  
5 of the National Summit shall be to—

6 “(1) increase the public awareness of the value  
7 of personal savings for retirement;

8 “(2) advance the public’s knowledge and under-  
9 standing of retirement savings and its critical impor-  
10 tance to the future well-being of American workers  
11 and their families;

12 “(3) facilitate the development of a broad-  
13 based, public education program to encourage and  
14 enhance individual commitment to a personal retire-  
15 ment savings strategy;

16 “(4) identify the problems which hinder workers  
17 from setting aside adequate savings for retirement;

18 “(5) identify the barriers which impede employ-  
19 ers, especially small employers, from assisting work-  
20 ers in accumulating retirement savings;

21 “(6) examine the impact and effectiveness of in-  
22 dividual employers to promote personal savings for  
23 retirement among their workers and to promote par-  
24 ticipation in company savings options;

1           “(7) examine the impact and effectiveness of  
2 government programs at the Federal, State, and  
3 local level to promote retirement income savings;

4           “(8) develop such specific and comprehensive  
5 recommendations for the legislative and executive  
6 branches of the Government and for private sector  
7 action as may be appropriate for promoting retire-  
8 ment income savings among American workers; and

9           “(9) develop recommendations for the coordina-  
10 tion of Federal, State, and local policy and needs  
11 with each other and with the efforts of the private  
12 sector and to identify the appropriate authority and  
13 entities to implement such recommendations.

14          “(d) SCOPE OF NATIONAL SUMMIT.—The scope of  
15 the National Summit shall consist of issues relating to in-  
16 dividual and employer-based retirement savings and shall  
17 not include issues relating to the old-age, survivors, and  
18 disability insurance program under title II of the Social  
19 Security Act.

20          “(e) NATIONAL SUMMIT PARTICIPANTS.—

21           “(1) IN GENERAL.—To carry out the purposes  
22 of the National Summit, the National Summit shall  
23 bring together—

1           “(A) professionals and other individuals  
2 working in the fields of employee benefits and  
3 retirement savings;

4           “(B) Members of Congress and officials in  
5 the executive branch;

6           “(C) representatives of State and local  
7 governments;

8           “(D) representatives of private sector insti-  
9 tutions, including individual employers, con-  
10 cerned about promoting the issue of retirement  
11 savings and facilitating savings among Amer-  
12 ican workers; and

13           “(E) representatives of the general public.

14           “(2) STATUTORILY REQUIRED PARTICIPA-  
15 TION.—The participants in the National Summit  
16 shall include the following individuals or their des-  
17 ignees:

18           “(A) the Speaker and the Minority Leader  
19 of the House of Representatives;

20           “(B) the Majority Leader and the Minority  
21 Leader of the Senate;

22           “(C) the Chairman and ranking Member of  
23 the Committee on Education and the Workforce  
24 of the House of Representatives;

1           “(D) the Chairman and ranking Member  
2 of the Committee on Labor and Human Re-  
3 sources of the Senate; and

4           “(E) the parties referred to in subsection  
5 (b).

6           “(3) ADDITIONAL PARTICIPANTS.—Of the re-  
7 maining participants—

8           “(A) one-fourth shall be appointed by the  
9 Speaker of the House of Representatives;

10           “(B) one-fourth shall be appointed by the  
11 Minority Leader of the House of Representa-  
12 tives;

13           “(C) one-fourth shall be appointed by the  
14 Majority Leader of the Senate; and

15           “(D) one-fourth shall be appointed by the  
16 Minority Leader of the Senate.

17 Such remaining participants shall be selected with-  
18 out regard to political affiliation or past partisan ac-  
19 tivity and shall be representative of the diversity of  
20 thought in the fields of employee benefits and retire-  
21 ment income savings.

22           “(4) PRESIDING OFFICERS.—The National  
23 Summit shall be presided over equally by representa-  
24 tives of the executive and legislative branches.

25           “(f) NATIONAL SUMMIT ADMINISTRATION.—

1           “(1) ADMINISTRATION.—In administering this  
2 section, the Secretary shall—

3           “(A) request the cooperation and assist-  
4           ance of such other Federal departments and  
5           agencies and other parties referred to in sub-  
6           section (b) as may be appropriate in the carry-  
7           ing out of this section;

8           “(B) furnish all reasonable assistance, in-  
9           cluding financial assistance, to State agencies,  
10          area agencies, and other appropriate organiza-  
11          tions to enable them to organize and conduct  
12          conferences in conjunction with the National  
13          Summit;

14          “(C) make available for public comment a  
15          proposed agenda for the National Summit that  
16          reflects to the greatest extent possible the pur-  
17          poses for the National Summit set out in this  
18          section;

19          “(D) prepare and make available back-  
20          ground materials for the use of participants in  
21          the National Summit that the Secretary consid-  
22          ers necessary; and

23          “(E) appoint and fix the pay of such addi-  
24          tional personnel as may be necessary to carry  
25          out the provisions of this section without regard

1 to provisions of title 5, United States Code,  
2 governing appointments in the competitive serv-  
3 ice, and without regard to chapter 51 and sub-  
4 chapter III of chapter 53 of such title relating  
5 to classification and General Schedule pay  
6 rates.

7 “(2) DUTIES.—The Secretary shall, in carrying  
8 out the responsibilities and functions of the Sec-  
9 retary under this section, and as part of the Na-  
10 tional Summit, ensure that—

11 “(A) the National Summit shall be con-  
12 ducted in a manner that ensures broad partici-  
13 pation of Federal, State, and local agencies and  
14 private organizations, professionals, and others  
15 involved in retirement income savings and pro-  
16 vides a strong basis for assistance to be pro-  
17 vided under paragraph (1)(B);

18 “(B) the agenda prepared under paragraph  
19 (1)(C) for the National Summit is published in  
20 the Federal Register; and

21 “(C) the personnel appointed under para-  
22 graph (1)(E) shall be fairly balanced in terms  
23 of points of views represented and shall be ap-  
24 pointed without regard to political affiliation or  
25 previous partisan activities.

1           “(g) REPORT.—The Secretary shall prepare a report  
2 describing the activities of the National Summit and shall  
3 submit the report to the President, the Speaker and Mi-  
4 nority Leader of the House of Representatives, the Major-  
5 ity and Minority Leaders of the Senate, and the chief execu-  
6 tive officers of the States not later than 90 days after  
7 the date on which the National Summit is adjourned.

8           “(h) DEFINITION.—For purposes of this section, the  
9 term ‘State’ means a State, the District of Columbia, the  
10 Commonwealth of Puerto Rico, the Commonwealth of the  
11 Northern Mariana Islands, Guam, the Virgin Islands,  
12 American Samoa, and any other territory or possession  
13 of the United States.

14           “(i) AUTHORIZATION OF APPROPRIATIONS.—

15           “(1) IN GENERAL.—There is authorized to be  
16 appropriated for fiscal years beginning on or after  
17 October 1, 1997, such sums as are necessary to  
18 carry out this section.

19           “(2) RELIANCE ON PRIVATE CONTRIBUTIONS.—

20           The Secretary may accept private contributions, in  
21 the form of money, supplies, or services, to defray  
22 the costs of the National Summit. The Secretary  
23 shall ensure, to the extent practicable, that at least  
24 one-half of the funds available to the Secretary for

1 each fiscal year to carry out the provisions of this  
2 section consist of such private contributions.

3 “(j) CONTRACTS.—The Secretary may enter into con-  
4 tracts to carry out the Secretary’s responsibilities under  
5 this section, but only to the extent, or in such amounts,  
6 as are provided in advance in appropriations Acts.”.

7 (b) CONFORMING AMENDMENT.—The table of con-  
8 tents in section 1 of such Act (as amended by section 3  
9 of this Act) is amended further by inserting after the item  
10 relating to section 516 the following new item:

“Sec. 517. National Summit on Retirement Savings.”.

11 (c) AUTHORIZATIONS OF APPROPRIATIONS FOR FIS-  
12 CAL YEAR 1998.—

13 (1) IN GENERAL.—Notwithstanding subsection  
14 (i) of section 517 of the Employee Retirement In-  
15 come Security Act of 1974 (added by this section),  
16 the amount authorized to be appropriated for fiscal  
17 year 1998 to carry out such section is an amount  
18 equal to \$500,000.

19 (2) APPORTIONMENT OF AUTHORIZATION OF  
20 APPROPRIATIONS FOR EDUCATION FOR FISCAL YEAR  
21 1998.—In addition, of amounts otherwise authorized  
22 to be appropriated to the Department of Labor for  
23 education for fiscal year 1998, \$500,000 is author-

1        ized to be appropriated to the Department to carry  
2        out such section 517.

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