

117TH CONGRESS
2D SESSION

H. R. 7310

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

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
5 “Protecting America's Retirement Security Act”.

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.

1 **SEC. 2. DEFINED CONTRIBUTION PLAN FEE DISCLOSURE**
2 **IMPROVEMENTS.**

3 Not later than 2 years after the date of enactment
4 of this Act, the Secretary of Labor shall review section
5 2550.404a–5 of title 29, Code of Federal Regulations, and
6 explore how the content and design of the covered disclo-
7 sures may be improved to enhance participants’ under-
8 standing of fees and expenses as well as the cumulative
9 effect of fees and expenses on retirement savings over
10 time. As part of such review, the Secretary shall conduct
11 outreach to stakeholders, including those representing
12 plan sponsors and retirement plan participants.

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

14 (a) IN GENERAL.—Not later than 3 years after the
15 date of enactment of this Act, the Secretary of Education,
16 in consultation with the Director of the Bureau of Con-
17 sumer Financial Protection, the Secretary of the Treasury
18 as chair of the Financial Literacy and Education Commis-
19 sion, and the Commissioner of Internal Revenue, shall cre-
20 ate a personal finance education portal on a centralized
21 and publicly available website of the Department of Edu-
22 cation pertaining to Federal financial aid for voluntary use

1 by recipients of aid awarded under title IV of the Higher
2 Education Act of 1965.

3 (b) CONTENT OF PERSONAL FINANCE EDUCATION
4 PORTAL.—The personal finance education portal created
5 under subsection (a) shall include information on personal
6 finance concepts, including the following:

7 (1) Core personal finance concepts, such as
8 earning, saving, investing, spending, and borrowing,
9 including—

10 (A) the concept of compound growth as it
11 applies to savings and retirement savings, with
12 information about the different types of retire-
13 ment savings accounts; and

14 (B) budgeting and credit usage.

15 (2) Managing student loan repayment, includ-
16 ing—

17 (A) the interaction between savings and re-
18 tirement decisions and Federal student loan re-
19 payment plans;

20 (B) Federal student loan discharge or for-
21 giveness options;

22 (C) the types of voluntary benefits employ-
23 ers may use to help workers while they are pay-
24 ing down student loan debt;

1 (D) tax credits or deductions that are rel-
2 evant to student loan borrowers in repayment;
3 and

4 (E) any other Federal policies that signifi-
5 cantly impact student loan borrowers in repay-
6 ment, as determined by the Secretary.

7 (3) Any other personal finance concepts deter-
8 mined relevant by the Secretary of Education, in
9 consultation with the Director of the Bureau of Con-
10 sumer Financial Protection, the Secretary of the
11 Treasury as chair of the Financial Literacy and
12 Education Commission, and the Commissioner of In-
13 ternal Revenue.

14 (c) PROVISION OF CONTENT.—The personal finance
15 content included under subsection (b) may be provided in
16 an interactive format through text or video.

17 (d) ANALYTICS.—The Secretary of Education, in con-
18 sultation with the Director of the Bureau of Consumer
19 Financial Protection, the Secretary of the Treasury as
20 chair of the Financial Literacy and Education Commis-
21 sion, and the Commissioner of Internal Revenue, shall re-
22 view not less than once every three years the utilization
23 of the portal, make recommendations to improve the por-
24 tal, and make such findings and recommendations publicly
25 available.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as may be
3 necessary to carry out this section.

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

6 (a) AMENDMENTS TO EMPLOYEE RETIREMENT IN-
7 COME SECURITY ACT OF 1974.—

8 (1) IN GENERAL.—Part 2 of subtitle B of title
9 I of the Employee Retirement Income Security Act
10 of 1974 (29 U.S.C. 1051 et seq.) is amended by in-
11 serting after section 205 the following new section:

12 **“SEC. 205A. ADDITIONAL SPOUSAL CONSENT REQUIRE-**
13 **MENTS.**

14 “(a) IN GENERAL.—Each individual account plan to
15 which section 205 does not apply (but to which this title
16 otherwise applies) shall provide that, except as provided
17 in subsections (c) and (d), no distribution may be made
18 under the plan unless the spousal consent requirements
19 of subsection (e) are met.

20 “(b) COORDINATION WITH SECTION 205.—Nothing
21 in this section shall be construed to exempt an individual
22 account plan from the requirements of paragraph (1)(B),
23 (1)(C), or (2) of section 205(b) with respect to any partici-
24 pant.

1 “(c) EXCEPTIONS FOR CERTAIN DISTRIBUTIONS.—

2 Subsection (a) shall not apply to—

3 “(1) any distribution that is—

4 “(A) a minimum required distribution de-
5 scribed in section 4974(b) of the Internal Rev-
6 enue Code of 1986; or

7 “(B) permitted under section 203(e)(1) to
8 be made without the consent of the participant;

9 “(2) any distribution in the form of a qualified
10 joint and survivor annuity (as defined in section
11 205(d)(1)), a qualified optional survivor annuity (as
12 defined in section 205(d)(2)), a qualified preretire-
13 ment survivor annuity (as defined in section 205(e)),
14 or a series of substantially equal periodic payments
15 (not less frequently than annually) made for the
16 joint lives (or life expectancies) of the participant
17 and the participant’s spouse; or

18 “(3) in the case of a participant who does not
19 elect a form of benefit described in paragraph (2)
20 under the plan or who is participating in a plan that
21 does not provide such a form of benefit, any dis-
22 tribution of the participant’s entire nonforfeitable
23 accrued benefit if 50 percent of such accrued benefit
24 is transferred to an individual retirement plan (as

1 defined in section 7701(a)(37) of the Internal Rev-
2 enue Code of 1986) of the spouse of the participant.
3 A transfer described in paragraph (3) to an individual re-
4 tirement plan shall be treated in the same manner as a
5 transfer under section 408(d)(6) of the Internal Revenue
6 Code of 1986.

7 “(d) EXCEPTIONS FOR CERTAIN ROLLOVER CON-
8 TRIBUTIONS.—

9 “(1) IN GENERAL.—Subsection (a) shall not
10 apply to any distribution that is an eligible rollover
11 distribution (as defined in section 402(f)(2)(A) of
12 the Internal Revenue Code of 1986) made in the
13 form of a direct trustee-to-trustee transfer within
14 the meaning of section 401(a)(31) of the Internal
15 Revenue Code of 1986—

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

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

21 “(i) the sole beneficiary of such plan
22 is the spouse of the participant, or the
23 spousal consent requirements of subsection
24 (e) are met with respect to any designation
25 of 1 or more other beneficiaries; and

1 “(ii) under the terms of the individual
2 retirement plan, the beneficiary of such
3 plan (whether the spouse or other bene-
4 ficiary designated under subparagraph
5 (A)) may not be changed unless—

6 “(I) the spousal consent require-
7 ments of subsection (e) are met with
8 respect to any such change; or

9 “(II) the spousal consent under
10 clause (i) to the designation of a bene-
11 ficiary other than the spouse expressly
12 permits such designation to be
13 changed without the further consent
14 of the spouse.

15 “(2) REGULATORY AUTHORITY.—The Secretary
16 of the Treasury and the Secretary of Labor may
17 jointly issue regulations to implement subparagraphs
18 (A) and (B) of paragraph (1).

19 “(e) SPOUSAL CONSENT REQUIREMENTS.—

20 “(1) IN GENERAL.—For purposes of this sec-
21 tion, except as provided in paragraph (2), the spous-
22 al consent requirements of this subsection are met
23 with respect to any distribution or any designation
24 or change of beneficiary if—

1 “(A) the plan provides to each participant,
2 within a reasonable period of time before such
3 distribution or designation or change of bene-
4 ficiary is made and consistent with such regula-
5 tions as the Secretary of the Treasury may pre-
6 scribe, a written explanation of the rights of the
7 participant and the participant’s spouse under
8 this section;

9 “(B) the spouse of the participant consents
10 in writing to the distribution or designation or
11 change of beneficiary;

12 “(C) in the case of a distribution, the writ-
13 ten consent under subparagraph (B) is made
14 during the consent period; and

15 “(D) the written consent under subpara-
16 graph (B)—

17 “(i) acknowledges the effect of such
18 distribution or designation or change of
19 beneficiary; and

20 “(ii) is witnessed by a plan represent-
21 ative or a notary public.

22 “(2) EXCEPTIONS.—The requirements of para-
23 graph (1) (other than subparagraph (A) thereof)
24 shall not apply with respect to any distribution or
25 designation or change of beneficiary if a participant

1 establishes to the satisfaction of the administrator
2 that—

3 “(A) there is no spouse;

4 “(B) the participant and the participant’s
5 spouse have not been married for at least 1
6 year as of the date of the distribution or des-
7 ignation or change of beneficiary; or

8 “(C) such consent cannot be obtained be-
9 cause—

10 “(i) the spouse cannot be located after
11 taking documented search efforts in ac-
12 cordance with guidance from the Secretary
13 of Labor;

14 “(ii) due to exceptional circumstances,
15 requiring the participant to seek the
16 spouse’s consent would be inappropriate;
17 or

18 “(iii) of such other circumstances as
19 the Secretary of the Treasury, in consulta-
20 tion with the Secretary of Labor, may by
21 regulations prescribe.

22 The Secretary of Labor may issue regulations to im-
23 plement this paragraph.

24 “(3) CONSENT LIMITED TO SPOUSE AND
25 EVENT.—Any written consent by a spouse under

1 paragraph (1), or the establishment by a participant
2 that an exception under paragraph (2) applies with
3 respect to a spouse, shall be effective only with re-
4 spect to that spouse and to the distribution or des-
5 ignation or change of beneficiary to which it relates.

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

9 “(A) the 90-day period immediately pre-
10 ceeding the date of such distribution; or

11 “(B) such other period as the Secretary of
12 the Treasury may provide.

13 “(f) DISCHARGE OF PLAN FROM LIABILITY.—Rules
14 similar to the rules of section 205(c)(6) shall apply for
15 purposes of this section.”.

16 (2) CLERICAL AMENDMENT.—The table of sec-
17 tions of part 2 of subtitle B of title I of the Em-
18 ployee Retirement Income Security Act of 1974 is
19 amended by inserting after the item relating to sec-
20 tion 205 the following new item:

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

21 (3) PARALLEL AMENDMENT TO SECTION 205.—
22 Section 205(c)(2)(B) of the Employee Retirement
23 Income Security Act of 1974 (29 U.S.C.
24 1055(c)(2)(B)) is amended by inserting “, because
25 due to exceptional circumstances, requiring the par-

1 participant to seek the spouse’s consent would be inap-
2 propriate” after “located”.

3 (b) CONFORMING AMENDMENT TO INTERNAL REV-
4 ENUE CODE OF 1986.—Section 401(a) of the Internal
5 Revenue Code of 1986 is amended by inserting after para-
6 graph (17) the following new paragraph:

7 “(18) ADDITIONAL SPOUSAL CONSENT RE-
8 QUIREMENTS.—

9 “(A) IN GENERAL.—To the extent para-
10 graph (11) does not apply to a defined con-
11 tribution plan to which title I of the Employee
12 Retirement Income Security Act of 1974 ap-
13 plies, except as provided in subparagraphs (C)
14 and (D), a trust forming part of such plan shall
15 not constitute a qualified trust under this sec-
16 tion unless no distribution may be made under
17 the plan unless the spousal consent require-
18 ments of subparagraph (E) are met.

19 “(B) COORDINATION WITH PARAGRAPH
20 (11).—Nothing in this paragraph shall be con-
21 strued to exempt a defined contribution plan
22 from the requirements of subparagraph (B)(ii),
23 (B)(iii), or (C) of paragraph (11) with respect
24 to any participant.

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

2
3 “(i) any distribution that is—

4 “(I) a minimum required distribution described in section 4974(b),
5
6 or

7 “(II) permitted under section
8 411(a)(11) to be made without the
9 consent of the participant,

10 “(ii) any distribution in the form of a
11 qualified joint and survivor annuity (as de-
12 fined in section 417(b)), a qualified op-
13 tional survivor annuity (as defined in sec-
14 tion 417(g)), a qualified preretirement sur-
15 vivor annuity (as defined in section
16 417(c)), or a series of substantially equal
17 periodic payments (not less frequently than
18 annually) made for the joint lives (or life
19 expectancies) of the participant and the
20 participant’s spouse, or

21 “(iii) in the case of a participant who
22 does not elect a form of benefit described
23 in clause (ii) under the plan or who is par-
24 ticipating in a plan that does not provide
25 such a form of benefit, any distribution of

1 the participant's entire nonforfeitable ac-
2 crued benefit if 50 percent of such accrued
3 benefit is directly transferred to an indi-
4 vidual retirement plan of the spouse of the
5 participant.

6 A transfer described in clause (iii) to an indi-
7 vidual retirement plan shall be treated in the
8 same manner as a transfer under section
9 408(d)(6) and shall be deemed not to violate
10 paragraph (2) or (13).

11 “(D) EXCEPTIONS FOR CERTAIN ROLL-
12 OVER CONTRIBUTIONS.—

13 “(i) IN GENERAL.—Subparagraph (A)
14 shall not apply to any distribution, involv-
15 ing a participant who has a spouse, that is
16 an eligible rollover distribution (as defined
17 in section 402(f)(2)(A)) made in the form
18 of a direct trustee-to-trustee transfer with-
19 in the meaning of paragraph (31)—

20 “(I) to a plan to which this para-
21 graph or paragraph (11) applies; or

22 “(II) to an individual retirement
23 plan if—

24 “(aa) the sole beneficiary of
25 such plan is the spouse of the

1 participant, or the spousal con-
2 sent requirements of subpara-
3 graph (E) are met with respect
4 to any designation of 1 or more
5 other beneficiaries; and

6 “(bb) under the terms of the
7 individual retirement plan, the
8 beneficiary of such plan (whether
9 the spouse or other beneficiary
10 designated under clause (i)) may
11 not be changed unless—

12 “(AA) the spousal con-
13 sent requirements of sub-
14 paragraph (E) are met with
15 respect to any such change,
16 or

17 “(BB) the spousal con-
18 sent under subclause (I) to
19 the designation of a bene-
20 ficiary other than the spouse
21 expressly permits such des-
22 ignation to be changed with-
23 out the further consent of
24 the spouse.

1 “(ii) REGULATORY AUTHORITY.—The
2 Secretary of the Treasury, in consultation
3 with the Secretary of Labor, may issue
4 regulations to implement subparagraphs
5 subclauses (I) and (II) or clause (i).

6 “(E) SPOUSAL CONSENT REQUIRE-
7 MENTS.—

8 “(i) IN GENERAL.—For purposes of
9 this paragraph, except as provided in
10 clause (ii), the spousal consent require-
11 ments of this subparagraph are met with
12 respect to any distribution or any designa-
13 tion or change of beneficiary if—

14 “(I) the plan provides to each
15 participant, within a reasonable period
16 of time before such distribution or
17 designation or change of beneficiary is
18 made and consistent with such regula-
19 tions as the Secretary may prescribe,
20 a written explanation of the rights of
21 the participant and the participant’s
22 spouse under this paragraph,

23 “(II) the spouse of the partici-
24 pant consents in writing to the dis-

1 tribution or designation or change of
2 beneficiary,

3 “(III) in the case of a distribu-
4 tion, the written consent under sub-
5 clause (II) is made during the consent
6 period, and

7 “(IV) the written consent under
8 subclause (ii)—

9 “(aa) acknowledges the ef-
10 fect of such distribution or des-
11 ignation or change of beneficiary,
12 and

13 “(bb) is witnessed by a plan
14 representative or a notary public.

15 “(ii) EXCEPTIONS UNDER SECTION
16 417(A)(2)(B) TO APPLY.—The requirements
17 of clause (i) (other than subclause (I)
18 thereof) shall not apply with respect to any
19 distribution or designation or change of
20 beneficiary if a participant establishes to
21 the satisfaction of the administrator that—

22 “(I) there is no spouse,

23 “(II) the participant and the par-
24 ticipant’s spouse have not been mar-
25 ried for at least 1 year as of the date

1 of the distribution or designation or
2 change of beneficiary, or

3 “(III) such consent cannot be ob-
4 tained because—

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

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

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

19 The Secretary, in consultation with the
20 Secretary of Labor, may issue regulations
21 to implement this clause.

22 “(iii) CONSENT LIMITED TO SPOUSE
23 AND EVENT.—Any written consent by a
24 spouse under clause (i), or the establish-
25 ment by a participant that an exception

1 under clause (ii) applies with respect to a
 2 spouse, shall be effective only with respect
 3 to that spouse and to the distribution or
 4 designation or change of beneficiary to
 5 which it relates.

6 “(iv) CONSENT PERIOD.—For pur-
 7 poses of this subparagraph, the term ‘con-
 8 sent period’ means, with respect to any
 9 distribution—

10 “(I) the 90-day period imme-
 11 diately preceding the date of such dis-
 12 tribution, or

13 “(II) such other period as the
 14 Secretary may provide.”.

15 **SEC. 5. AUTOMATIC REENROLLMENT.**

16 (a) ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGE-
 17 MENTS.—

18 (1) AMENDMENT TO THE EMPLOYEE RETIRE-
 19 MENT INCOME SECURITY ACT OF 1974.—Section
 20 514(e)(2) of the Employee Retirement Income Secu-
 21 rity Act of 1974 (29 U.S.C. 1144(e)(2)) is amend-
 22 ed—

23 (A) by redesignating subparagraphs (A)
 24 through (C) as clauses (i) through (iii), respec-

1 tively, and moving the margins of such clauses
2 ems to the right,

3 (B) by striking “(2) For purposes of” and
4 inserting “(2)(A) For purposes of”, and

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

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

12 “(i) who is eligible to participate in
13 the arrangement, and

14 “(ii) who, at the time of the deter-
15 mination, has in effect an affirmative elec-
16 tion pursuant to subparagraph (A)(ii) not
17 to have contributions described in such
18 subparagraph made,

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

1 sentence for a plan year, regardless of indi-
2 vidual employee dates of enrollment.”.

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

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

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

12 “(A) IN GENERAL.—For purposes of”

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

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

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

24 “(ii) who, at the time of the deter-
25 mination, has in effect an affirmative elec-

1 tion under subparagraph (A)(ii) not to
2 have such contributions described in such
3 subparagraph made,
4 is treated as having made the election at the
5 uniform percentage level described in subpara-
6 graph (A)(ii) unless the employee makes a new
7 election under such subparagraph. Such deter-
8 mination may be made at one time for all em-
9 ployees described in the preceding sentence for
10 a plan year, regardless of individual employee
11 dates of enrollment.”

12 (b) QUALIFIED AUTOMATIC CONTRIBUTION AR-
13 RANGEMENTS.—

14 (1) IN GENERAL.—Section 401(k)(13)(C) of the
15 Internal Revenue Code of 1986 is amended by add-
16 ing at the end the following new clause:

17 “(v) PERIODIC AUTOMATIC DEFERRAL
18 REQUIRED FOR POST-2024 ARRANGE-
19 MENTS.—In the case of a qualified auto-
20 matic contribution arrangement which
21 takes effect after December 31, 2024, the
22 requirements of this subparagraph shall be
23 treated as met only if, under the arrange-
24 ment, at least every 3 plan years each em-
25 ployee—

1 “(I) who is eligible to participate
2 in the arrangement, and

3 “(II) who, at the time of the de-
4 termination, has in effect an affirma-
5 tive election pursuant to clause (ii)
6 not to have contributions described in
7 clause (i) made,

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

16 (2) CONFORMING AMENDMENTS.—Clause (iv)
17 of section 401(k)(13)(C) of such Code is amended—

18 (A) in the heading, by inserting “for pre-
19 2025 arrangements” after “required”; and

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

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to arrangements taking effect after
3 December 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
9 employee ownership and employee participation in
10 business decisionmaking, that exists on the date on
11 which the Secretary is carrying out a responsibility
12 authorized 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
18 ownership and employee participation in business de-
19 cisionmaking, that does not exist on the date on
20 which the Secretary is carrying out a responsibility
21 authorized under this section.

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

1 (5) STATE.—The term “State” has the mean-
2 ing given the term under section 3 of the Workforce
3 Innovation 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
19 Act, the Secretary shall establish a program to en-
20 courage new programs and existing programs within
21 the States to foster employee ownership and em-
22 ployee participation in business decisionmaking
23 throughout the United States.

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

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

3 (A) providing education and outreach to
4 inform employees and employers about the pos-
5 sibilities and benefits of employee ownership,
6 business ownership succession planning, and
7 employee participation in business decision-
8 making, including providing information about
9 financial education, employee teams, open-book
10 management, and other tools that enable em-
11 ployees to share ideas and information about
12 how their businesses can succeed;

13 (B) providing technical assistance to assist
14 employee efforts to become business owners, to
15 enable employers and employees to explore and
16 assess the feasibility of transferring full or par-
17 tial ownership to employees, and to encourage
18 employees and employers to start new em-
19 ployee-owned businesses; and

20 (C) training employees and employers with
21 respect to methods of employee participation in
22 open-book management, work teams, commit-
23 tees, and other approaches for seeking greater
24 employee 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 par-
15 ticipation, and business ownership succes-
16 sion 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,
21 and retiring owners exploring the possi-
22 bility of employee ownership;

23 (ii) provide for the performance of
24 preliminary 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 receiv-
22 ing funding under this section; and

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

1 (4) GUIDANCE.—The Secretary shall issue for-
2 mal guidance, for recipients of grants awarded under
3 subsection (d) and one-stop partners (as defined in
4 section 3 of the Workforce Innovation and Oppor-
5 tunity Act (29 U.S.C. 3102)) affiliated with the
6 workforce development systems (as so defined) of
7 the States, proposing that programs and other ac-
8 tivities funded 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
13 employee ownership of, and participation in,
14 businesses so as to increase productivity and
15 broaden 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
25 subsection (c)(2)(B);

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

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

5 (E) training as provided in subsection
6 (e)(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 fis-
9 cal year, the amount of the grants made for
10 such training shall not exceed 10 percent of the
11 total amount of the grants made under this sec-
12 tion.

13 (2) AMOUNTS AND CONDITIONS.—The Sec-
14 retary shall determine the amount and any condi-
15 tions for a grant made under this subsection. The
16 amount of the grant shall be subject to paragraph
17 (6), and shall reflect the capacity of the applicant
18 for the grant.

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

24 (4) STATE APPLICATIONS.—Each State may
25 sponsor and submit an application under paragraph

1 (3) on behalf of any local entity consisting of a unit
2 of State or local government, State-supported insti-
3 tution of higher education, or nonprofit organization,
4 meeting the requirements of this section.

5 (5) APPLICATIONS BY ENTITIES.—

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

13 (B) APPLICATION SCREENING.—In any
14 case in which a local entity makes an applica-
15 tion for a grant pursuant to subparagraph (A),
16 the relevant State may take no actions to
17 screen such application.

18 (6) LIMITATIONS.—A recipient of a grant made
19 under this subsection shall not receive, during a fis-
20 cal year, in the aggregate, more than the following
21 amounts:

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

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

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

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

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

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

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

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

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

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

22 (g) AUTHORIZATIONS OF APPROPRIATIONS.—

23 (1) IN GENERAL.—There are authorized to be
24 appropriated for the purpose of making grants pur-
25 suant to subsection (d) the following:

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

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

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

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

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

6 (2) ADMINISTRATIVE EXPENSES.—There are
7 authorized to be appropriated for the purpose of
8 funding the administrative expenses related to the
9 Initiative, for each of fiscal years 2022 through
10 2026, an amount not in excess of the lesser of—

11 (A) \$350,000; or

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

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

16 (a) ESTABLISHMENT.—

17 (1) IN GENERAL.—Not later than December 31,
18 2024, the Secretary of the Treasury or the Sec-
19 retary’s delegate (referred to in this subsection as
20 the “Secretary”) shall establish and implement a
21 program (referred to in this subsection as the “Re-
22 fund to Rainy Day Savings Program”) to allow par-
23 ticipating taxpayers, pursuant to the requirements
24 established under this section, to defer payment on
25 20 percent of the amount which would otherwise be

1 refunded to such taxpayer as an overpayment (as
2 described in section 6401 of the Internal Revenue
3 Code of 1986).

4 (2) PERIOD OF DEFERRAL.—Except as pro-
5 vided under paragraph (3)(E), a participating tax-
6 payer may elect to defer payment of the amount de-
7 scribed in paragraph (1) and have such amount de-
8 posited in the Rainy Day Fund (as described in
9 paragraph (3)).

10 (3) RAINY DAY FUND.—

11 (A) IN GENERAL.—The Secretary shall es-
12 tablish in the Treasury a fund, in such manner
13 as the Secretary determines to be appropriate,
14 to be known as the “Rainy Day Fund”, con-
15 sisting of any amounts described in paragraph
16 (1) on which payment has been deferred by par-
17 ticipating taxpayers.

18 (B) INVESTMENT.—Any amounts depos-
19 ited in the Rainy Day Fund shall be invested by
20 the Secretary, in United States Treasury secu-
21 rities issued under chapter 31 of title 31,
22 United States Code, that are suitable for the
23 needs of the Rainy Day Fund.

24 (C) DISBURSEMENTS FROM FUND.—

1 (i) IN GENERAL.—On the date that is
2 180 days after the date of deposit in the
3 Rainy Day Fund of an amount deferred by
4 such taxpayer under paragraph (1), the
5 amounts in the Rainy Day Fund shall be
6 made available to the Secretary to dis-
7 tribute to such taxpayer in an amount
8 equal to such amount plus any interest ac-
9 crued on such amount (as determined
10 under subparagraph (D)).

11 (ii) DISTRIBUTED TO TAXPAYERS.—
12 The amounts described in clause (i) shall
13 be distributed to the account identified by
14 the participating taxpayer under paragraph
15 (4)(B).

16 (D) INTEREST ACCRUED.—The amount of
17 interest accrued on the amount deferred by a
18 participating taxpayer under subsection (a)
19 shall be determined by the Secretary based
20 upon the return on the investment of such
21 amounts under subparagraph (B).

22 (E) EARLY WITHDRAWAL.—

23 (i) IN GENERAL.—As soon as possible
24 after receipt by the Secretary of the indi-
25 vidual income tax return of the partici-

1 participating taxpayer and October 15 of the ap-
2 plicable year, such taxpayer may elect to
3 terminate the deferral of the amount de-
4 scribed under paragraph (1) and receive a
5 distribution from the Rainy Day Fund
6 equal to such amount and any interest
7 which has accrued on such amount up to
8 that date.

9 (ii) COMPLETE WITHDRAWAL.—A par-
10 ticipating taxpayer making an election
11 under clause (i) must terminate deferral of
12 the full amount described under paragraph
13 (1), and such amount shall be distributed
14 to the bank account identified by the par-
15 ticipating taxpayer under paragraph
16 (4)(B).

17 (4) PARTICIPATING TAXPAYER.—For purposes
18 of this section, the term “participating taxpayer”
19 means a taxpayer who—

20 (A) prior to the due date for filing the re-
21 turn of tax for such taxable year, elects to par-
22 ticipate in the Refund to Rainy Day Savings
23 Program, in accordance with regulations to be
24 issued by the Secretary; and

1 (B) provides the Secretary with an account
2 and routing number or any other financial in-
3 formation deemed necessary by the Secretary
4 for purposes of subparagraphs (C)(ii) and
5 (E)(ii) of paragraph (3).

6 (5) FORMS.—The Secretary shall ensure that
7 the election to defer payment of the amount de-
8 scribed in paragraph (1) may be claimed on appro-
9 priate tax forms.

10 (6) IMPLEMENTATION.—

11 (A) EDUCATIONAL MATERIALS AND OUT-
12 REACH.—The Secretary shall—

13 (i) design educational materials for
14 taxpayers regarding financial savings and
15 the Refund to Rainy Day Savings Pro-
16 gram,

17 (ii) publicly disseminate and distribute
18 such materials during the first calendar
19 quarter of each calendar year and fol-
20 lowing disbursement of amounts described
21 in paragraph (3)(C), and

22 (iii) engage in outreach regarding the
23 Refund to Rainy Day Savings Program to
24 the Volunteer Income Tax Assistance pro-
25 gram and paid tax preparers.

1 (B) INFORMATION FOR PARTICIPATING
2 TAXPAYERS.—The Secretary shall ensure that a
3 participating taxpayer is able to electronically
4 verify the status of the amount deferred by
5 such taxpayer under paragraph (1), including
6 any interest accrued on such amount and the
7 status of any distribution.

8 (C) FEDERALLY FUNDED BENEFITS.—Any
9 amounts described in paragraph (1) that are
10 distributed to a participating taxpayer, includ-
11 ing any interest accrued on such amount, shall
12 be treated in the same manner as any refund
13 made to such taxpayer under section 32 of the
14 Internal Revenue Code of 1986 for purposes of
15 determining the eligibility of such taxpayer for
16 benefits or assistance, or the amount or extent
17 of benefits or assistance, under any Federal
18 program or under any State or local program
19 financed in whole or in part with Federal funds.

20 (b) ASSETS FOR INDEPENDENCE INNOVATION DEM-
21 ONSTRATION PROJECTS.—

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

24 (A) in section 416, by inserting “, and,
25 subject to section 417, \$25,000,000 for each of

1 fiscal years 2024, 2025, 2026, 2027, and 2028,
2 to remain available until expended.”; and

3 (B) by adding at the end the following new
4 section:

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

6 “(a) IN GENERAL.—Subject to subsections (b) and
7 (c), from the funds appropriated for each of fiscal years
8 2024, 2025, 2026, 2027, and 2028 under section 416, the
9 Secretary shall reserve—

10 “(1) \$3,000,000 for general research and eval-
11 uation; and

12 “(2) any amounts remaining after application
13 of paragraph (1) to fund Assets for Independence
14 innovation projects under section 418.

15 “(b) PILOT PROGRAM FUNDING.—From the amounts
16 reserved under subsection (a) for each of fiscal years
17 2024, 2025, and 2026, the Secretary shall make available
18 for operating the pilot program established under section
19 7(c) of the Protecting America’s Retirement Security Act
20 of 2022—

21 “(1) 50 percent of the amount reserved for the
22 relevant fiscal year under paragraph (1) of sub-
23 section (a) (after any adjustment under subsection
24 (c)); and

1 “(2) 25 percent of the amount reserved for the
2 relevant fiscal year under paragraph (2) of sub-
3 section (a) (after any adjustment under subsection
4 (c)).

5 “(c) PROPORTIONAL ADJUSTMENT.—In any of fiscal
6 years 2024, 2025, 2026, 2027, and 2028, if the amount
7 appropriated for such fiscal year is greater or less than
8 the amount authorized for such fiscal year under section
9 416, the amounts reserved under subsection (a) shall be
10 increased or decreased for such fiscal year so that each
11 such amount bears the same proportion to the amount ap-
12 propriated as each of the amounts reserved under such
13 subsection bears to the amount authorized.”.

14 (2) ESTABLISHMENT OF INNOVATION PRO-
15 GRAM.—The Assets for Independence Act (42
16 U.S.C. 604 note), as amended by paragraph (1), is
17 further amended by adding at the end the following
18 new section:

19 **“SEC. 418. ASSETS FOR INDEPENDENCE INNOVATION**
20 **PROJECTS.**

21 “(a) IN GENERAL.—The Secretary is authorized to
22 make grants to qualified entities to conduct Assets for
23 Independence innovation projects under this section.

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

1 “(1) ASSETS FOR INDEPENDENCE INNOVATION
2 PROJECT.—The term ‘Assets for Independence inno-
3 vation project’ means a demonstration project car-
4 ried out by a qualified entity under this section.

5 “(2) INNOVATION DEVELOPMENT ACCOUNT.—
6 The term ‘innovation development account’ means
7 an account that is established in a federally insured
8 financial institution or a State insured financial in-
9 stitution and meets such other requirements as are
10 established by the Secretary.

11 “(c) APPLICATION.—

12 “(1) CRITERIA AND PREFERENCES.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), in considering an application to con-
15 duct an Assets for Independence innovation
16 project, the Secretary shall apply subsections
17 (c) and (d) of section 405 to the application in
18 the same manner that such subsections apply to
19 an application to conduct a demonstration
20 project under section 405.

21 “(B) MODIFICATION.—For purposes of
22 this paragraph, paragraph (1) of section 405(c)
23 shall be applied without regard to the phrase
24 ‘through activities requiring one or more quali-
25 fied expenses’.

1 “(2) APPROVAL OF ASSETS FOR INDEPEND-
2 ENCE INNOVATION PROJECTS.—Not later than 12
3 months after the date of the enactment of this sec-
4 tion, the Secretary shall, on a competitive basis, ap-
5 prove such applications to conduct Assets for Inde-
6 pendence innovation projects as the Secretary con-
7 siders to be appropriate, taking into account the
8 considerations required by paragraph (1). The Sec-
9 retary shall ensure, to the maximum extent prac-
10 ticable, that the applications that are approved in-
11 volve a range of communities (spread out both geo-
12 graphically and in rural and urban areas) and di-
13 verse populations.

14 “(d) PROJECT DURATION AND GRANT AMOUNT.—

15 “(1) DURATION.—The Secretary shall award
16 grants under this section for a period not to exceed
17 5 project years.

18 “(2) GRANT AMOUNT.—For each project year
19 of an Assets for Independence innovation project ap-
20 proved under this section, the Secretary may make
21 a grant to the qualified entity authorized to conduct
22 the project. In making such a grant, the Secretary
23 shall make the grant on the first day of the project
24 year in an amount not to exceed the lesser of—

1 “(A) the aggregate amount of funds com-
2 mitted as matching contributions from non-
3 Federal public or private sector sources; or

4 “(B) \$1,000,000.

5 “(e) ELIGIBILITY AND SELECTION OF INDIVIDUALS
6 TO PARTICIPATE IN AN ASSETS FOR INDEPENDENCE IN-
7 NOVATION PROJECT.—

8 “(1) ELIGIBILITY CRITERIA.—Subject to the
9 approval of the Secretary, each qualified entity con-
10 ducting an Assets for Independence innovation
11 project shall establish eligibility requirements for
12 participants in the project. Such requirements
13 shall—

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

16 “(B) ensure that eligibility is limited to
17 low-income individuals.

18 “(2) SELECTION OF INDIVIDUALS TO PARTICI-
19 PATE.—Each qualified entity conducting an Assets
20 for Independence innovation project shall select,
21 from among the individuals that meet the eligibility
22 requirements established by the entity under para-
23 graph (1), the individuals—

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

1 “(B) to whom the qualified entity will
2 make disbursements or deposits in accordance
3 with subsection (f).

4 “(f) DISBURSEMENTS BY QUALIFIED ENTITIES.—

5 “(1) IN GENERAL.—Each qualified entity con-
6 ducting an Assets for Independence innovation
7 project shall, in a manner consistent with the pro-
8 gram requirements established by such entity, dis-
9 burse to a third-party or deposit into the innovation
10 development account of each individual participating
11 in the project from the funds described in subsection
12 (d)(2), a matching contribution of not less than
13 \$0.50 and not more than \$8 for every \$1 deposited
14 in the account by a project participant, except that
15 the rate of matching shall be equal for all individuals
16 participating in the project conducted by such quali-
17 fied entity.

18 “(2) LIMITATION ON DISBURSEMENTS FOR AN
19 INDIVIDUAL.—Not more than \$5,000 from a grant
20 made under subsection (d)(1) shall be provided to
21 any one individual over the course of the Assets for
22 Independence innovation project.

23 “(3) LIMITATION ON DISBURSEMENTS FOR A
24 HOUSEHOLD.—Not more than \$10,000 from a grant
25 made under subsection (d)(1) shall be provided to

1 any one household over the course of the Assets for
2 Independence innovation project.

3 “(4) ADJUSTMENT FOR INFLATION.—

4 “(A) IN GENERAL.—For each calendar
5 year after 2023, the dollar amounts in para-
6 graphs (2) and (3) shall be increased by an
7 amount equal to the product of—

8 “(i) such dollar amount, and

9 “(ii) the cost-of-living adjustment de-
10 termined under section 1(f)(3) of the In-
11 ternal Revenue Code of 1986 for the cal-
12 endar year, determined by substituting
13 ‘2022’ for ‘2016’ in subparagraph (A)(ii)
14 thereof.

15 “(B) ROUNDING.—If any increase deter-
16 mined under subparagraph (A) is not a multiple
17 of \$50, such increase shall be rounded up to the
18 next lowest multiple of \$50.”.

19 (3) CONFORMING AMENDMENTS.—The Assets
20 for Independence Act (42 U.S.C. 604 note), as
21 amended by paragraphs (1) and (2), is further
22 amended—

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

25 (B) in section 406—

1 (i) in subsection (a), by striking “to
2 conduct a demonstration project under this
3 title” and inserting “under section 405”;
4 and

5 (ii) in subsection (b), by striking
6 “conducted under this title” and inserting
7 “approved under section 405”;

8 (C) in section 407—

9 (i) in subsection (c)—

10 (I) in paragraph (1)—

11 (aa) in subparagraph (A),
12 by inserting “or, in the case of a
13 participant in a project con-
14 ducted under section 418, other
15 permitted expenses” after “quali-
16 fied expenses”; and

17 (bb) in subparagraph (B),
18 by inserting “or subsection (f) of
19 section 418” after “section 410”;
20 and

21 (II) in paragraph (3), by insert-
22 ing “or section 418(d)(1)”; and

23 (ii) in subsection (d)(2)(A), by insert-
24 ing “or section 418(d)(1)” after “section
25 406(b)”;

1 (D) in section 408, by striking “conducted
2 under this title” each place it appears and in-
3 serting “approved under section 405”;

4 (E) in section 409, by striking “conducted
5 under this title” and inserting “approved under
6 section 405”;

7 (F) in section 410, by striking “under this
8 title” and inserting “conducting a demonstra-
9 tion project approved under section 405”;

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

12 (H) in section 415, by inserting “or inno-
13 vation development account” after “individual
14 development account”.

15 (c) MATCHED REFUND TO RAINY DAY SAVINGS
16 PILOT PROGRAM.—

17 (1) IN GENERAL.—Not later than 6 months
18 after the date of the enactment of this Act and
19 using the funds made available pursuant to section
20 417(b) of the Assets for Independence Act, the Sec-
21 retary of Health and Human Services, acting
22 through the Director of Community Services (in this
23 section referred to as “the Secretary”), shall estab-
24 lish under this subsection a matched savings account
25 pilot program to encourage saving by eligible individ-

1 uals. Under the pilot program, a qualified entity
2 may apply to the Secretary for a grant to conduct
3 a pilot project described in paragraph (2) (in this
4 section referred to as a “pilot project”). The pilot
5 program shall operate for a period of 3 years.

6 (2) PILOT PROJECT DESCRIBED.—

7 (A) IN GENERAL.—A pilot project is a
8 project in which a qualified entity establishes a
9 matched savings program that meets the re-
10 quirements of subparagraph (B) for eligible in-
11 dividuals who are selected by the entity to par-
12 ticipate in the program.

13 (B) REQUIREMENTS.—

14 (i) DEPOSITS INTO DIRECT DEPOSIT
15 ACCOUNTS.—

16 (I) IN GENERAL.—A matched
17 savings program established as part of
18 a pilot project shall match amounts
19 saved by each eligible individual par-
20 ticipating in the pilot project—

21 (aa) with the amount
22 matched to be equal to or less
23 than the amount of any payment
24 deferred by such individual under
25 the Refund to Rainy Day Savings

1 Program established in sub-
2 section (a)(1); and

3 (bb) with the rate of match-
4 ing to be equal for all eligible in-
5 dividuals participating in the pro-
6 gram.

7 (II) TIMING.—Any amount de-
8 scribed in subclause (I) shall not be
9 distributed to an eligible individual
10 until the amounts described in sub-
11 paragraph (C)(ii) or (E)(ii) of sub-
12 section (a)(1) have been distributed to
13 the bank account identified by such
14 individual.

15 (ii) EVALUATION OF PROGRAM BY
16 INDEPENDENT RESEARCH ORGANIZA-
17 TION.—

18 (I) IN GENERAL.—From amounts
19 made available under section
20 417(b)(2) of the Assets for Independ-
21 ence Act, as added by subsection
22 (b)(1)(B), the Secretary shall enter
23 into a contract with an independent
24 research organization for purposes of

1 evaluating pilot projects conducted
2 under this section.

3 (II) COORDINATION.—Each
4 qualified entity that establishes a
5 matched savings program as part of a
6 pilot project shall collaborate with the
7 independent research organization de-
8 scribed in subclause (I) to evaluate
9 the outcomes and impact of the
10 project.

11 (III) IMPACT.—The evaluation
12 described in subclause (I) shall in-
13 clude an examination of the demo-
14 graphic characteristics of the individ-
15 uals participating in the pilot project,
16 such as gender, race, age, geographic
17 location, and family makeup, and how
18 the impacts of the project vary among
19 different demographic groups and the
20 effects of the pilot program on retire-
21 ment savings for eligible individuals.

22 (IV) PROGRAM FEATURES.—The
23 program features to be evaluated
24 through the pilot projects conducted
25 under this section may include—

1 (aa) different levels of
2 matching contributions by quali-
3 fied entities;

4 (bb) lock-out periods during
5 which an eligible individual may
6 not make withdrawals from their
7 account; and

8 (cc) educational materials
9 intended to promote savings.

10 (V) SAFEGUARDING PRIVACY.—

11 Any contract entered into under this
12 clause shall require the selected inde-
13 pendent research organization to take
14 all necessary and proper precautions
15 to protect eligible individuals' privacy
16 and personally identifiable information
17 when conducting the evaluation.

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

20 (D) FEDERALLY FUNDED BENEFITS.—Any
21 amounts described in subparagraph (B)(i)
22 which are distributed to an eligible individual
23 shall be treated in the same manner as any re-
24 fund made to such taxpayer under section 32 of
25 the Internal Revenue Code of 1986 for purposes

1 of determining the eligibility of such taxpayer
2 for benefits or assistance, or the amount or ex-
3 tent of benefits or assistance, under any Fed-
4 eral program or under any State or local pro-
5 gram financed in whole or in part with Federal
6 funds.

7 (3) STRATEGIC COMMUNICATIONS PLAN.—The
8 Secretary shall devise a strategic communications
9 plan to ensure a successful pilot program.

10 (4) ANNUAL REPORT TO CONGRESS.—The Sec-
11 retary shall submit an annual report to Congress on
12 the progress and outcomes of the pilot program es-
13 tablished under this section.

14 (5) DEFINITIONS.—In this subsection:

15 (A) ELIGIBLE INDIVIDUAL.—The term “el-
16 igible individual” means an individual who—

17 (i) has deferred payment of the
18 amount described in subsection (a)(1)
19 under the Refund to Rainy Day Savings
20 Program established in such subsection,
21 and

22 (ii) meets the eligibility requirements
23 under section 408 of the Assets for Inde-
24 pendence Act, except that subsection (a)(2)
25 of such section shall not apply.

1 (B) QUALIFIED ENTITY.—

2 (i) IN GENERAL.—The term “qualified
3 entity” means—

4 (I) one or more not-for-profit or-
5 ganizations described in section
6 501(c)(3) of the Internal Revenue
7 Code of 1986 and exempt from tax-
8 ation under section 501(a) of such
9 Code;

10 (II) a State or local government
11 agency, or a tribal government, sub-
12 mitting an application to conduct a
13 pilot project jointly with an organiza-
14 tion described in subclause (I);

15 (III) a site that offers free tax
16 help to individuals who qualify
17 through the Internal Revenue Serv-
18 ice’s Voluntary Income Tax Assist-
19 ance or Tax Counseling for the Elder-
20 ly programs; or

21 (IV) an entity that—

22 (aa) is—

23 (AA) a credit union
24 designated as a low-income
25 credit union by the National

1 Credit Union Administra-
2 tion; or

3 (BB) an organization
4 designated as a community
5 development financial insti-
6 tution by the Secretary of
7 the Treasury (or the Com-
8 munity Development Finan-
9 cial Institutions Fund); and
10 (bb) can demonstrate a col-
11 laborative relationship with a
12 local community-based organiza-
13 tion whose activities are designed
14 to address poverty in the commu-
15 nity and the needs of community
16 members for economic independ-
17 ence and stability.

18 (V) RULE OF CONSTRUCTION.—
19 Nothing in this paragraph shall be
20 construed as preventing an organiza-
21 tion described in clause (i)(I) from
22 collaborating with a financial institu-
23 tion or for-profit community develop-

1 ment corporation to carry out the pur-
2 poses of this section.

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