

118TH CONGRESS
1ST SESSION

H. R. 5673

To advance responsible policies.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2023

Mr. MCGOVERN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Armed Services, Veterans' Affairs, Oversight and Accountability, Intelligence (Permanent Select), Foreign Affairs, Education and the Workforce, Small Business, the Judiciary, Natural Resources, House Administration, Energy and Commerce, Homeland Security, Science, Space, and Technology, Appropriations, Rules, Ethics, Transportation and Infrastructure, the Budget, and Financial Services, 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 advance responsible policies.

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 “Responsible Legis-
5 lating Act”.

TITLE I

SEC. 101. LIVESTOCK MANDATORY REPORTING EXTENSION.

(a) IN GENERAL.—Section 260 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1636i) is amended by striking “2023” and inserting “2024”.

(b) CONFORMING AMENDMENT.—Section 942 of the Livestock Mandatory Reporting Act of 1999 (7 U.S.C. 1635 note; Public Law 106–78) is amended by striking “2023” and inserting “2024”.

TITLE II

SEC. 201. EDUCATION FOR SEPARATING MEMBERS OF THE ARMED FORCES REGARDING REGISTERED APPRENTICESHIPS.

Section 1144(b)(1) of title 10, United States Code, is amended by inserting “(including apprenticeship programs registered under the Act of August 16, 1937 (50 Stat. 664; commonly referred to as the ‘National Apprenticeship Act’) and approved under chapters 30 through 36 of title 38)” after “employment opportunities”.

SEC. 202. WEBSITES REGARDING APPRENTICESHIP PRO- GRAMS.

(a) WEBSITE UNDER THE JURISDICTION OF SECRETARY OF LABOR.—The Assistant Secretary of Labor for Veterans’ Employment and Training, in coordination with the Secretary of Veterans Affairs, shall establish a

1 user-friendly website (or update an existing website) that
2 is available to the public on which veterans can find infor-
3 mation about apprenticeship programs registered under
4 the Act of August 16, 1937 (50 Stat. 664; commonly re-
5 ferred to as the “National Apprenticeship Act”) and ap-
6 proved under chapters 30 through 36 of title 38, United
7 States Code. Such information shall be searchable and
8 sortable by occupation and location, and include, with re-
9 gard to each such program, the following:

10 (1) A description, including any cost to a vet-
11 eran.

12 (2) Contact information.

13 (3) Whether the program has been endorsed by
14 a veterans service organization or nonprofit organi-
15 zation that caters to veterans.

16 (4) Whether the program prefers to hire vet-
17 erans.

18 (5) Each certification or degree an individual
19 earns by completing the program.

20 (b) COORDINATION WITH OTHER WEBSITE.—The
21 Assistant Secretary shall update all information regarding
22 programs for veterans listed on apprenticeship.gov (or any
23 successor website) to include the information specified
24 under subsection (a).

TITLE III

SEC. 301. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) it is in the best national and homeland security interests of the United States for Federal agencies to retain the specialized knowledge and experience of individuals who suffer an injury or illness while serving in a covered position (as defined under the amendments made by this Act); and

(2) Federal agencies should ensure, to the greatest extent possible, that an individual who can no longer carry out the duties of a covered position, and is reappointed to a position in the civil service that is not a covered position, is reappointed within the same Federal agency, in the same geographic location, and at a level of pay commensurate to the position which the individual held immediately prior to such injury or illness.

SEC. 302. RETIREMENT FOR CERTAIN EMPLOYEES.

(a) CSRS.—Section 8336(c) of title 5, United States Code, is amended by adding at the end the following:

“(3)(A) In this paragraph—

“(i) the term ‘affected individual’ means an individual covered under this subchapter who—

1 “(I) is performing service in a covered
2 position;

3 “(II) while on duty, becomes ill or is
4 injured as a direct result of the perform-
5 ance of such duties before the date on
6 which the individual becomes entitled to an
7 annuity under paragraph (1) of this sub-
8 section or subsection (e), (m), or (n), as
9 applicable;

10 “(III) because of the illness or injury
11 described in subclause (II), is permanently
12 unable to render useful and efficient serv-
13 ice in the employee’s covered position, as
14 determined by the agency in which the in-
15 dividual was serving when such individual
16 incurred the illness or injury; and

17 “(IV) is appointed to a position in the
18 civil service that—

19 “(aa) is not a covered position;
20 and

21 “(bb) is within an agency that
22 regularly appoints individuals to su-
23 pervisory or administrative positions
24 related to the activities of the former
25 covered position of the individual;

“(ii) the term ‘covered position’ means a position as a law enforcement officer, customs and border protection officer, firefighter, air traffic controller, nuclear materials courier, member of the Capitol Police, or member of the Supreme Court Police.

“(B) Unless an affected individual files an election described in subparagraph (E), creditable service by the affected individual in a position described in subparagraph (A)(i)(IV) shall be treated as creditable service in a covered position for purposes of this chapter and determining the amount to be deducted and withheld from the pay of the affected individual under section 8334.

“(C) Subparagraph (B) shall only apply if the affected employee transitions to a position described in subparagraph (A)(i)(IV) without a break in service exceeding 3 days.

“(D) The service of an affected individual shall no longer be eligible for treatment under subparagraph (B) if such service occurs after the individual—

“(i) is transferred to a supervisory or administrative position related to the ac-

1 activities of the former covered position of
2 the individual; or

3 “(ii) meets the age and service re-
4 quirements that would subject the indi-
5 vidual to mandatory separation under sec-
6 tion 8335 if such individual had remained
7 in the former covered position.

8 “(E) In accordance with procedures estab-
9 lished by the Director of the Office of Personnel
10 Management, an affected individual may file an
11 election to have any creditable service per-
12 formed by the affected individual treated in ac-
13 cordance with this chapter without regard to
14 subparagraph (B).

15 “(F) Nothing in this paragraph shall be
16 construed to apply to such affected individual
17 any other pay-related laws or regulations appli-
18 cable to a covered position.”.

19 (b) FERS.—

20 (1) IN GENERAL.—Section 8412(d) of title 5,
21 United States Code, is amended—

22 (A) by redesignating paragraphs (1) and
23 (2) as subparagraphs (A) and (B), respectively;

24 (B) by inserting “(1)” before “An em-
25 ployee”; and

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

2 “(2)(A) In this paragraph—

3 “(i) the term ‘affected individual’ means
4 an individual covered under this chapter who—

5 “(I) is performing service in a covered
6 position;

7 “(II) while on duty, becomes ill or is
8 injured as a direct result of the perform-
9 ance of such duties before the date on
10 which the individual becomes entitled to an
11 annuity under paragraph (1) of this sub-
12 section or subsection (e), as applicable;

13 “(III) because of the illness or injury
14 described in subclause (II), is permanently
15 unable to render useful and efficient serv-
16 ice in the employee’s covered position, as
17 determined by the agency in which the in-
18 dividual was serving when such individual
19 incurred the illness or injury; and

20 “(IV) is appointed to a position in the
21 civil service that—

22 “(aa) is not a covered position;
23 and

24 “(bb) is within an agency that
25 regularly appoints individuals to su-

1 pervisory or administrative positions
2 related to the activities of the former
3 covered position of the individual;

4 “(ii) the term ‘covered position’ means a
5 position as a law enforcement officer, customs
6 and border protection officer, firefighter, air
7 traffic controller, nuclear materials courier,
8 member of the Capitol Police, or member of the
9 Supreme Court Police.

10 “(B) Unless an affected individual files an
11 election described in subparagraph (E), cred-
12 itable service by the affected individual in a po-
13 sition described in subparagraph (A)(i)(IV)
14 shall be treated as creditable service in a cov-
15 ered position for purposes of this chapter and
16 determining the amount to be deducted and
17 withheld from the pay of the affected individual
18 under section 8422.

19 “(C) Subparagraph (B) shall only apply if
20 the affected employee transitions to a position
21 described in subparagraph (A)(i)(IV) without a
22 break in service exceeding 3 days.

23 “(D) The service of an affected individual
24 shall no longer be eligible for treatment under

1 subparagraph (B) if such service occurs after
2 the individual—

3 “(i) is transferred to a supervisory or
4 administrative position related to the ac-
5 tivities of the former covered position of
6 the individual; or

7 “(ii) meets the age and service re-
8 quirements that would subject the indi-
9 vidual to mandatory separation under sec-
10 tion 8425 if such individual had remained
11 in the former covered position.

12 “(E) In accordance with procedures estab-
13 lished by the Director of the Office of Personnel
14 Management, an affected individual may file an
15 election to have any creditable service per-
16 formed by the affected individual treated in ac-
17 cordance with this chapter without regard to
18 subparagraph (B).

19 “(F) Nothing in this paragraph shall be
20 construed to apply to such affected individual
21 any other pay-related laws or regulations appli-
22 cable to a covered position.”.

23 (2) TECHNICAL AND CONFORMING AMEND-
24 MENTS.—

1 (A) Chapter 84 of title 5, United States
2 Code, is amended—

3 (i) in section 8414(b)(3), by inserting
4 “(1)” after “subsection (d)”;

5 (ii) in section 8415—

6 (I) in subsection (e), in the mat-
7 ter preceding paragraph (1), by in-
8 serting “(1)” after “subsection (d)”;
9 and

10 (II) in subsection (h)(2)(A), by
11 striking “(d)(2)” and inserting
12 “(d)(1)(B)”;

13 (iii) in section 8421(a)(1), by insert-
14 ing “(1)” after “(d)”;

15 (iv) in section 8421a(b)(4)(B)(ii), by
16 inserting “(1)” after “section 8412(d)”;

17 (v) in section 8425, by inserting “(1)”
18 after “section 8412(d)” each place it ap-
19 pears; and

20 (vi) in section 8462(c)(3)(B)(ii), by
21 inserting “(1)” after “subsection (d)”.

22 (B) Title VIII of the Foreign Service Act
23 of 1980 (22 U.S.C. 4041 et seq.) is amended—

1 (i) in section 805(d)(5) (22 U.S.C.
2 4045(d)(5)), by inserting “(1)” after “or
3 8412(d)”; and

4 (ii) in section 812(a)(2)(B) (22
5 U.S.C. 4052(a)(2)(B)), by inserting “(1)”
6 after “or 8412(d)”.

7 (c) CIA EMPLOYEES.—Section 302 of the Central In-
8 telligence Agency Retirement Act (50 U.S.C. 2152) is
9 amended by adding at the end the following:

10 “(d) EMPLOYEES DISABLED ON DUTY.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘affected employee’ means
13 an employee of the Agency covered under sub-
14 chapter II of chapter 84 of title 5, United
15 States Code, who—

16 “(i) is performing service in a position
17 designated under subsection (a);

18 “(ii) while on duty in the position des-
19 ignated under subsection (a), becomes ill
20 or is injured as a direct result of the per-
21 formance of such duties before the date on
22 which the employee becomes entitled to an
23 annuity under section 233 of this Act or
24 section 8412(d)(1) of title 5, United States
25 Code;

1 “(iii) because of the illness or injury
2 described in clause (ii), is permanently un-
3 able to render useful and efficient service
4 in the employee’s covered position, as de-
5 termined by the Director; and

6 “(iv) is appointed to a position in the
7 civil service that is not a covered position
8 but is within the Agency; and

9 “(B) the term ‘covered position’ means a
10 position as—

11 “(i) a law enforcement officer de-
12 scribed in section 8331(20) or 8401(17) of
13 title 5, United States Code;

14 “(ii) a customs and border protection
15 officer described in section 8331(31) or
16 8401(36) of title 5, United States Code;

17 “(iii) a firefighter described in section
18 8331(21) or 8401(14) of title 5, United
19 States Code;

20 “(iv) an air traffic controller described
21 in section 8331(30) or 8401(35) of title 5,
22 United States Code;

23 “(v) a nuclear materials courier de-
24 scribed in section 8331(27) or 8401(33) of
25 title 5, United States Code;

1 “(vi) a member of the United States
2 Capitol Police;

3 “(vii) a member of the Supreme Court
4 Police;

5 “(viii) an affected employee; or

6 “(ix) a special agent described in sec-
7 tion 804(15) of the Foreign Service Act of
8 1980 (22 U.S.C. 4044(15)).

9 “(2) TREATMENT OF SERVICE AFTER DIS-
10 ABILITY.—Unless an affected employee files an elec-
11 tion described in paragraph (3), creditable service by
12 the affected employee in a position described in
13 paragraph (1)(A)(iv) shall be treated as creditable
14 service in a covered position for purposes of this Act
15 and chapter 84 of title 5, United States Code, in-
16 cluding eligibility for an annuity under section 233
17 of this Act or 8412(d)(1) of title 5, United States
18 Code, and determining the amount to be deducted
19 and withheld from the pay of the affected employee
20 under section 8422 of title 5, United States Code.

21 “(3) BREAK IN SERVICE.—Paragraph (2) shall
22 only apply if the affected employee transitions to a
23 position described in paragraph (1)(A)(iv) without a
24 break in service exceeding 3 days.

1 “(4) LIMITATION ON TREATMENT OF SERV-
 2 ICE.—The service of an affected employee shall no
 3 longer be eligible for treatment under paragraph (2)
 4 if such service occurs after the employee is trans-
 5 ferred to a supervisory or administrative position re-
 6 lated to the activities of the former covered position
 7 of the employee.

8 “(5) OPT OUT.—An affected employee may file
 9 an election to have any creditable service performed
 10 by the affected employee treated in accordance with
 11 chapter 84 of title 5, United States Code, without
 12 regard to paragraph (2).”.

13 (d) FOREIGN SERVICE RETIREMENT AND DIS-
 14 ABILITY SYSTEM.—Section 806(a)(6) of the Foreign Serv-
 15 ice Act of 1980 (22 U.S.C. 4046(a)(6)) is amended by
 16 adding at the end the following:

17 “(D)(i) In this subparagraph—

18 “(I) the term ‘affected special agent’
 19 means an individual covered under this
 20 subchapter who—

21 “(aa) is performing service as a
 22 special agent;

23 “(bb) while on duty as a special
 24 agent, becomes ill or is injured as a
 25 direct result of the performance of

1 such duties before the date on which
2 the individual becomes entitled to an
3 annuity under section 811;

4 “(cc) because of the illness or in-
5 jury described in item (bb), is perma-
6 nently unable to render useful and ef-
7 ficient service in the employee’s cov-
8 ered position, as determined by the
9 Secretary; and

10 “(dd) is appointed to a position
11 in the Foreign Service that is not a
12 covered position; and

13 “(II) the term ‘covered position’
14 means a position as—

15 “(aa) a law enforcement officer
16 described in section 8331(20) or
17 8401(17) of title 5, United States
18 Code;

19 “(bb) a customs and border pro-
20 tection officer described in section
21 8331(31) or 8401(36) of title 5,
22 United States Code;

23 “(cc) a firefighter described in
24 section 8331(21) or 8401(14) of title
25 5, United States Code;

1 “(dd) an air traffic controller de-
2 scribed in section 8331(30) or
3 8401(35) of title 5, United States
4 Code;

5 “(ee) a nuclear materials courier
6 described in section 8331(27) or
7 8401(33) of title 5, United States
8 Code;

9 “(ff) a member of the United
10 States Capitol Police;

11 “(gg) a member of the Supreme
12 Court Police;

13 “(hh) an employee of the Agency
14 designated under section 302(a) of the
15 Central Intelligence Agency Retirement
16 Act (50 U.S.C. 2152(a)); or

17 “(ii) a special agent.

18 “(ii) Unless an affected special agent
19 files an election described in clause (iv),
20 creditable service by the affected special
21 agent in a position described in clause
22 (i)(I)(dd) shall be treated as creditable
23 service as a special agent for purposes of
24 this subchapter, including determining the
25 amount to be deducted and withheld from

1 the pay of the individual under section
2 805.

3 “(iii) Clause (ii) shall only apply if the
4 special agent transitions to a position de-
5 scribed in clause (i)(I)(dd) without a break
6 in service exceeding 3 days.

7 “(iv) The service of an affected em-
8 ployee shall no longer be eligible for treat-
9 ment under clause (ii) if such service oc-
10 curs after the employee is transferred to a
11 supervisory or administrative position re-
12 lated to the activities of the former covered
13 position of the employee.

14 “(v) In accordance with procedures
15 established by the Secretary, an affected
16 special agent may file an election to have
17 any creditable service performed by the af-
18 fected special agent treated in accordance
19 with this subchapter, without regard to
20 clause (ii).”.

21 (e) IMPLEMENTATION.—

22 (1) OFFICE OF PERSONNEL MANAGEMENT.—

23 Not later than 1 year after the date of enactment
24 of this Act, the Director of the Office of Personnel
25 Management shall promulgate regulations to carry

1 out the amendments made by subsections (a) and
2 (b).

3 (2) CIA EMPLOYEES.—The Director of the
4 Central Intelligence Agency shall promulgate regula-
5 tions to carry out the amendment made by sub-
6 section (c).

7 (3) FOREIGN SERVICE RETIREMENT AND DIS-
8 ABILITY SYSTEM.—The Secretary of State shall pro-
9 mulgate regulations to carry out the amendment
10 made by subsection (d).

11 (4) AGENCY CERTIFICATION.—The regulations
12 promulgated to carry out the amendments made by
13 this Act shall include a requirement that the head
14 of the agency at which an affected employee or spe-
15 cial agent (as the case may be) incurred the applica-
16 ble illness or injury certifies that such illness or in-
17 jury—

18 (A) was incurred in the course of the em-
19 ployee's or special agent's duties; and

20 (B) permanently precludes the employee or
21 special agent from rendering useful and effi-
22 cient service in the covered position but would
23 not preclude the employee or special agent from
24 continuing to serve in the Federal service.

1 (5) AGENCY REAPPOINTMENT.—The regula-
2 tions promulgated to carry out the amendments
3 made by this Act shall ensure that, to the greatest
4 extent possible, the head of each agency appoints af-
5 fected employees or special agents to supervisory or
6 administrative positions related to the activities of
7 the former covered position of the employee or spe-
8 cial agent.

9 (6) TREATMENT OF SERVICE.—The regulations
10 promulgated to carry out the amendments made by
11 this Act shall ensure that the creditable service of an
12 affected employee or special agent (as the case may
13 be) that is not in a covered position pursuant to an
14 election made under such amendments shall be
15 treated as the same type of service as the covered
16 position in which the employee or agent suffered the
17 qualifying illness or injury.

18 (f) EFFECTIVE DATE; APPLICABILITY.—The amend-
19 ments made by this Act—

20 (1) shall take effect on the date of enactment
21 of this Act; and

22 (2) shall apply to an individual who suffers an
23 illness or injury described in section
24 8336(c)(3)(A)(i)(II) or section 8412(d)(2)(A)(i)(II)
25 of title 5, United States Code, as amended by this

1 section, section 302(d)(1)(A)(ii) of the Central Intel-
 2 ligence Agency Retirement Act, as amended by this
 3 section, or section 806(a)(6)(D)(i)(I)(bb) of the For-
 4 eign Service Act of 1980, as amended by this sec-
 5 tion, on or after the date that is 2 years after the
 6 date of enactment of this Act.

7 **TITLE IV**

8 **SEC. 401. EXPANDING AUTOMATIC ENROLLMENT IN RE-** 9 **TIREMENT PLANS.**

10 (a) IN GENERAL.—Subpart B of part I of subchapter
 11 D of chapter 1 of the Internal Revenue Code of 1986 is
 12 amended by inserting after section 414 the following new
 13 section:

14 **“SEC. 414A. REQUIREMENTS RELATED TO AUTOMATIC EN-** 15 **ROLLMENT.**

16 “(a) IN GENERAL.—Except as otherwise provided in
 17 this section—

18 “(1) an arrangement shall not be treated as a
 19 qualified cash or deferred arrangement described in
 20 section 401(k) unless such arrangement meets the
 21 automatic enrollment requirements of subsection (b),
 22 and

23 “(2) an annuity contract otherwise described in
 24 section 403(b)(1) which is purchased under a salary
 25 reduction agreement shall not be treated as de-

1 scribed in such section unless such agreement meets
2 the automatic enrollment requirements of subsection
3 (b).

4 “(b) AUTOMATIC ENROLLMENT REQUIREMENTS.—

5 “(1) IN GENERAL.—An arrangement or agree-
6 ment meets the requirements of this subsection if
7 such arrangement or agreement is an eligible auto-
8 matic contribution arrangement (as defined in sec-
9 tion 414(w)(3)) which meets the requirements of
10 paragraphs (2) through (4).

11 “(2) ALLOWANCE OF PERMISSIBLE WITH-
12 DRAWALS.—An eligible automatic contribution ar-
13 rangement meets the requirements of this paragraph
14 if such arrangement allows employees to make per-
15 missible withdrawals (as defined in section
16 414(w)(2)).

17 “(3) MINIMUM CONTRIBUTION PERCENTAGE.—

18 “(A) IN GENERAL.—An eligible automatic
19 contribution arrangement meets the require-
20 ments of this paragraph if—

21 “(i) the uniform percentage of com-
22 pensation contributed by the participant
23 under such arrangement during the first
24 year of participation is not less than 3 per-
25 cent and not more than 10 percent (unless

1 the participant specifically elects not to
2 have such contributions made or to have
3 such contributions made at a different per-
4 centage), and

5 “(ii) effective for the first day of each
6 plan year starting after each completed
7 year of participation under such arrange-
8 ment such uniform percentage is increased
9 by 1 percentage point (to at least 10 per-
10 cent, but not more than 15 percent) unless
11 the participant specifically elects not to
12 have such contributions made or to have
13 such contributions made at a different per-
14 centage.

15 “(B) INITIAL REDUCED CEILING FOR CER-
16 TAIN PLANS.—In the case of any eligible auto-
17 matic contribution arrangement (other than an
18 arrangement that meets the requirements of
19 paragraph (12) or (13) of section 401(k)), for
20 plan years ending before January 1, 2025, sub-
21 paragraph (A)(ii) shall be applied by sub-
22 stituting ‘10 percent’ for ‘15 percent’.

23 “(4) INVESTMENT REQUIREMENTS.—An eligible
24 automatic contribution arrangement meets the re-
25 quirements of this paragraph if amounts contributed

1 pursuant to such arrangement, and for which no in-
 2 vestment is elected by the participant, are invested
 3 in accordance with the requirements of section
 4 2550.404c–5 of title 29, Code of Federal Regula-
 5 tions (or any successor regulations).

6 “(c) EXCEPTIONS.—For purposes of this section—

7 “(1) SIMPLE PLANS.—Subsection (a) shall not
 8 apply to any simple plan (within the meaning of sec-
 9 tion 401(k)(11)).

10 “(2) EXCEPTION FOR PLANS OR ARRANGE-
 11 MENTS ESTABLISHED BEFORE ENACTMENT OF SEC-
 12 TION.—

13 “(A) IN GENERAL.—Subsection (a) shall
 14 not apply to—

15 “(i) any qualified cash or deferred ar-
 16 rangement established before the date of
 17 the enactment of this section, or

18 “(ii) any annuity contract purchased
 19 under a plan established before the date of
 20 the enactment of this section.

21 “(B) POST-ENACTMENT ADOPTION OF
 22 MULTIPLE EMPLOYER PLAN.—Subparagraph
 23 (A) shall not apply in the case of an employer
 24 adopting after such date of enactment a plan
 25 maintained by more than one employer, and

1 subsection (a) shall apply with respect to such
2 employer as if such plan were a single plan.

3 “(3) EXCEPTION FOR GOVERNMENTAL AND
4 CHURCH PLANS.—Subsection (a) shall not apply to
5 any governmental plan (within the meaning of sec-
6 tion 414(d)) or any church plan (within the meaning
7 of section 414(e)).

8 “(4) EXCEPTION FOR NEW AND SMALL BUSI-
9 NESSES.—

10 “(A) NEW BUSINESS.—Subsection (a)
11 shall not apply to any qualified cash or deferred
12 arrangement, or any annuity contract pur-
13 chased under a plan, while the employer main-
14 taining such plan (and any predecessor em-
15 ployer) has been in existence for less than 3
16 years.

17 “(B) SMALL BUSINESSES.—Subsection (a)
18 shall not apply to any qualified cash or deferred
19 arrangement, or any annuity contract pur-
20 chased under a plan, earlier than the date that
21 is 1 year after the close of the first taxable year
22 with respect to which the employer maintaining
23 the plan normally employed more than 10 em-
24 ployees.

1 “(C) TREATMENT OF MULTIPLE EM-
 2 PLOYER PLANS.—In the case of a plan main-
 3 tained by more than 1 employer, subparagraphs
 4 (A) and (B) shall be applied separately with re-
 5 spect to each such employer, and all such em-
 6 ployers to which subsection (a) applies (after
 7 the application of this paragraph) shall be
 8 treated as maintaining a separate plan for pur-
 9 poses of this section.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
 11 for subpart B of part I of subchapter D of chapter 1 of
 12 such Code is amended by inserting after the item relating
 13 to section 414 the following new item:

“Sec. 414A. Requirements related to automatic enrollment.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to plan years beginning after De-
 16 cember 31, 2023.

17 **SEC. 402. MODIFICATION OF CREDIT FOR SMALL EM-**
 18 **PLOYER PENSION PLAN STARTUP COSTS.**

19 (a) INCREASE IN CREDIT PERCENTAGE FOR SMALL-
 20 ER EMPLOYERS.—Section 45E(e) of the Internal Revenue
 21 Code of 1986 is amended by adding at the end the fol-
 22 lowing new paragraph:

23 “(4) INCREASED CREDIT FOR CERTAIN SMALL
 24 EMPLOYERS.—In the case of an employer which
 25 would be an eligible employer under subsection (c) if

1 section 408(p)(2)(C)(i) was applied by substituting
 2 ‘50 employees’ for ‘100 employees’, subsection (a)
 3 shall be applied by substituting ‘100 percent’ for ‘50
 4 percent’.”.

5 (b) ADDITIONAL CREDIT FOR EMPLOYER CONTRIBU-
 6 TIONS BY CERTAIN SMALL EMPLOYERS.—Section 45E of
 7 such Code, as amended by subsection (a), is amended by
 8 adding at the end the following new subsection:

9 “(f) ADDITIONAL CREDIT FOR EMPLOYER CON-
 10 TRIBUTIONS BY CERTAIN ELIGIBLE EMPLOYERS.—

11 “(1) IN GENERAL.—In the case of an eligible
 12 employer, the credit allowed for the taxable year
 13 under subsection (a) (determined without regard to
 14 this subsection) shall be increased by an amount
 15 equal to the applicable percentage of employer con-
 16 tributions (other than any elective deferrals (as de-
 17 fined in section 402(g)(3)) by the employer to an eli-
 18 gible employer plan (other than a defined benefit
 19 plan (as defined in section 414(j))).

20 “(2) LIMITATIONS.—

21 “(A) DOLLAR LIMITATION.—The amount
 22 determined under paragraph (1) (before the ap-
 23 plication of subparagraph (B)) with respect to
 24 any employee of the employer shall not exceed
 25 \$1,000.

“(B) CREDIT PHASE-IN.—In the case of any eligible employer which had for the preceding taxable year more than 50 employees, the amount determined under paragraph (1) (without regard to this subparagraph) shall be reduced by an amount equal to the product of—

“(i) the amount otherwise so determined under paragraph (1), multiplied by

“(ii) a percentage equal to 2 percentage points for each employee of the employer for the preceding taxable year in excess of 50 employees.

“(3) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage for the taxable year during which the eligible employer plan is established with respect to the eligible employer shall be 100 percent, and for taxable years thereafter shall be determined under the following table:

“In the case of the following taxable year beginning after the taxable year during which plan is established with respect to the eligible employer:	The applicable percentage shall be:
1st	100%
2nd	75%
3rd	50%
4th	25%
Any taxable year thereafter	0%

1 “(4) DETERMINATION OF ELIGIBLE EMPLOYER;
 2 NUMBER OF EMPLOYEES.—For purposes of this sub-
 3 section, whether an employer is an eligible employer
 4 and the number of employees of an employer shall
 5 be determined under the rules of subsection (c), ex-
 6 cept that paragraph (2) thereof shall only apply to
 7 the taxable year during which the eligible employer
 8 plan to which this section applies is established with
 9 respect to the eligible employer.”.

10 (c) DISALLOWANCE OF DEDUCTION.—Section
 11 45E(e)(2) of such Code is amended to read as follows:

12 “(2) DISALLOWANCE OF DEDUCTION.—No de-
 13 duction shall be allowed—

14 “(A) for that portion of the qualified start-
 15 up costs paid or incurred for the taxable year
 16 which is equal to so much of the portion of the
 17 credit determined under subsection (a) as is
 18 properly allocable to such costs, and

19 “(B) for that portion of the employer con-
 20 tributions by the employer for the taxable year
 21 which is equal to so much of the credit increase
 22 determined under subsection (f) as is properly
 23 allocable to such contributions.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2022.

4 **SEC. 403. PROMOTION OF SAVER'S CREDIT.**

5 (a) IN GENERAL.—The Secretary of the Treasury
6 shall take such steps as the Secretary determines are nec-
7 essary and appropriate to increase public awareness of the
8 credit provided under section 25B of the Internal Revenue
9 Code of 1986.

10 (b) REPORT TO CONGRESS.—

11 (1) IN GENERAL.—Not later than 90 days after
12 the date of the enactment of this Act, the Secretary
13 shall provide a report to Congress to summarize the
14 anticipated promotion efforts of the Treasury under
15 subsection (a).

16 (2) CONTENTS.—Such report shall include—

17 (A) a description of plans for—

18 (i) the development and distribution
19 of digital and print materials, including the
20 distribution of such materials to States for
21 participants in State facilitated retirement
22 savings programs; and

23 (ii) the translation of such materials
24 into the 10 most commonly spoken lan-
25 guages in the United States after English

1 (as determined by reference to the most re-
 2 cent American Community Survey of the
 3 Bureau of the Census); and
 4 (B) such other information as the Sec-
 5 retary determines is necessary

6 **SEC. 404. ENHANCEMENT OF SAVER'S CREDIT.**

7 (a) 50 PERCENT CREDIT RATE.—Section 25B(a) of
 8 the Internal Revenue Code of 1986 is amended by striking
 9 “the applicable percentage” and inserting “50 percent”.

10 (b) ADJUSTED GROSS INCOME PHASEOUTS.—Section
 11 25B(b) of such Code is amended to read as follows:

12 “(b) LIMITATION.—For purposes of this section—

13 “(1) IN GENERAL.—The amount of credit al-
 14 lowable under subsection (a) (determined without re-
 15 gard to this subsection) shall be reduced (but not
 16 below zero) by an amount which bears the same
 17 ratio to the credit otherwise so allowable as—

18 “(A) the excess (if any) of—

19 “(i) adjusted gross income of the tax-
 20 payer, over

21 “(ii) the threshold amount, bears to

22 “(B) the phaseout amount.

23 “(2) THRESHOLD AMOUNT.—The term ‘thresh-
 24 old amount’ means—

1 “(A) in the case of a joint return or a sur-
2 viving spouse (as defined in section 2(a)),
3 \$48,000,

4 “(B) in the case of a head of household, 75
5 percent of the amount in effect for the taxable
6 year under subparagraph (A), and

7 “(C) in the case of any other individual, 50
8 percent of the amount in effect for the taxable
9 year under subparagraph (A).

10 “(3) PHASEOUT AMOUNT.—The term ‘phaseout
11 amount’ means—

12 “(A) in the case of a joint return or a sur-
13 viving spouse (as defined in 2(a)), \$35,000,

14 “(B) in the case of a head of household (as
15 defined in section 2(b)), 75 percent of the
16 amount in effect for the taxable year under sub-
17 paragraph (A), and

18 “(C) in the case of any other individual, 50
19 percent of the amount in effect for the taxable
20 year under subparagraph (A).

21 “(4) INFLATION ADJUSTMENT.—

22 “(A) IN GENERAL.—In the case of any
23 taxable year beginning in a calendar year after
24 2026, the \$48,000 dollar amount in paragraph

1 (2) and the \$35,000 in paragraph (3) shall
2 each be increased by an amount equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year in which the taxable year be-
7 gins, determined by substituting ‘calendar
8 year 2022’ for ‘calendar year 2016’ in sub-
9 paragraph (A)(ii) thereof.

10 “(B) ROUNDING.—Any increase deter-
11 mined under subparagraph (A) that is not a
12 multiple of \$500 shall be rounded to the near-
13 est multiple of \$500.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2026.

17 **SEC. 405. ENHANCEMENT OF 403(B) PLANS.**

18 (a) IN GENERAL.—Section 403(b)(7)(A) of the Inter-
19 nal Revenue Code of 1986 is amended by striking “if the
20 amounts are to be invested in regulated investment com-
21 pany stock to be held in that custodial account” and in-
22 serting “if the amounts are to be held in that custodial
23 account and invested in regulated investment company
24 stock or a group trust intended to satisfy the requirements

1 of Internal Revenue Service Revenue Ruling 81–100 (or
2 any successor guidance)’’.

3 (b) CONFORMING AMENDMENT.—The heading of
4 paragraph (7) of section 403(b) of such Code is amended
5 by striking ‘‘FOR REGULATED INVESTMENT COMPANY
6 STOCK’’.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to amounts invested after Decem-
9 ber 31, 2022.

10 **SEC. 406. INCREASE IN AGE FOR REQUIRED BEGINNING**
11 **DATE FOR MANDATORY DISTRIBUTIONS.**

12 (a) IN GENERAL.—Section 401(a)(9)(C)(i)(I) of the
13 Internal Revenue Code of 1986 is amended by striking
14 ‘‘age 72’’ and inserting ‘‘the applicable age’’.

15 (b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR
16 OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-
17 tion 401(a)(9) of such Code are each amended by striking
18 ‘‘age 72’’ and inserting ‘‘the applicable age’’.

19 (c) APPLICABLE AGE.—Section 401(a)(9)(C) of such
20 Code is amended by adding at the end the following new
21 clause:

22 ‘‘(v) APPLICABLE AGE.—

23 ‘‘(I) In the case of an individual
24 who attains age 72 after December

1 31, 2022, and age 73 before January
 2 1, 2030, the applicable age is 73.

3 “(II) In the case of an individual
 4 who attains age 73 after December
 5 31, 2029, and age 74 before January
 6 1, 2033, the applicable age is 74.

7 “(III) In the case of an indi-
 8 vidual who attains age 74 after De-
 9 cember 31, 2032, the applicable age is
 10 75.”.

11 (d) CONFORMING AMENDMENTS.—The last sentence
 12 of section 408(b) of such Code is amended by striking
 13 “age 72” and inserting “the applicable age (determined
 14 under section 401(a)(9)(C)(v) for the calendar year in
 15 which such taxable year begins)”.

16 (e) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to distributions required to be
 18 made after December 31, 2022, with respect to individuals
 19 who attain age 72 after such date.

20 **SEC. 407. INDEXING IRA CATCH-UP LIMIT.**

21 (a) IN GENERAL.—Subparagraph (C) of section
 22 219(b)(5) of the Internal Revenue Code of 1986 is amend-
 23 ed by adding at the end the following new clause:

24 “(iii) INDEXING OF CATCH-UP LIMITA-
 25 TION.—In the case of any taxable year be-

ginning in a calendar year after 2023, the
\$1,000 amount under subparagraph (B)(ii)
shall be increased by an amount equal to—

“(I) such dollar amount, multi-
plied by

“(II) the cost-of-living adjust-
ment determined under section 1(f)(3)
for the calendar year in which the tax-
able year begins, determined by sub-
stituting ‘calendar year 2022’ for ‘cal-
endar year 2016’ in subparagraph
(A)(ii) thereof.

If any amount after adjustment under the
preceding sentence is not a multiple of
\$100, such amount shall be rounded to the
next lower multiple of \$100.”.

(b) **EFFECTIVE DATE.**—The amendments made by
this section shall apply to taxable years beginning after
December 31, 2023.

**SEC. 408. HIGHER CATCH-UP LIMIT TO APPLY AT AGE 62, 63,
AND 64.**

(a) **IN GENERAL.**—

(1) **PLANS OTHER THAN SIMPLE PLANS.**—Sec-
tion 414(v)(2)(B)(i) of the Internal Revenue Code of
1986 is amended by inserting the following before

1 the period: “(\$10,000, in the case of an eligible par-
 2 ticipant who would attain age 62, but not age 65,
 3 before the close of the taxable year)”.

4 (2) SIMPLE PLANS.—Section 414(v)(2)(B)(ii) of
 5 such Code is amended by inserting the following be-
 6 fore the period: “(\$5,000, in the case of an eligible
 7 participant who would attain age 62, but not age 65,
 8 before the close of the taxable year)”.

9 (b) COST-OF-LIVING ADJUSTMENTS.—Subparagraph
 10 (C) of section 414(v)(2) of such Code is amended by add-
 11 ing at the end the following: “In the case of a year begin-
 12 ning after December 31, 2023, the Secretary shall adjust
 13 annually the \$10,000 amount in subparagraph (B)(i) and
 14 the \$5,000 amount in subparagraph (B)(ii) for increases
 15 in the cost-of-living at the same time and in the same
 16 manner as adjustments under the preceding sentence; ex-
 17 cept that the base period taken into account shall be the
 18 calendar quarter beginning July 1, 2022.”.

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to taxable years beginning after
 21 December 31, 2023.

22 **SEC. 409. POOLED EMPLOYER PLANS MODIFICATION.**

23 (a) IN GENERAL.—Section 3(43)(B)(ii) of the Em-
 24 ployee Retirement Income Security Act of 1974 (29
 25 U.S.C. 1002(43)(B)(ii)) is amended to read as follows:

1 “(ii) designate a named fiduciary
 2 (other than an employer in the plan) to be
 3 responsible for collecting contributions to
 4 the plan and require such fiduciary to im-
 5 plement written contribution collection pro-
 6 cedures that are reasonable, diligent, and
 7 systematic;”.

8 (b) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to plan years beginning after De-
 10 cember 31, 2022.

11 **SEC. 410. MULTIPLE EMPLOYER 403(B) PLANS.**

12 (a) IN GENERAL.—Section 403(b) of the Internal
 13 Revenue Code of 1986 is amended by adding at the end
 14 the following new paragraph:

15 “(15) MULTIPLE EMPLOYER PLANS.—

16 “(A) IN GENERAL.—Except in the case of
 17 a church plan, this subsection shall not be
 18 treated as failing to apply to an annuity con-
 19 tract solely by reason of such contract being
 20 purchased under a plan maintained by more
 21 than 1 employer.

22 “(B) TREATMENT OF EMPLOYERS FAILING
 23 TO MEET REQUIREMENTS OF PLAN.—

24 “(i) IN GENERAL.—In the case of a
 25 plan maintained by more than 1 employer,

1 this subsection shall not be treated as fail-
2 ing to apply to an annuity contract held
3 under such plan merely because of one or
4 more employers failing to meet the require-
5 ments of this subsection if such plan satis-
6 fies rules similar to the rules of section
7 413(e)(2) with respect to any such em-
8 ployer failure.

9 “(ii) ADDITIONAL REQUIREMENTS IN
10 CASE OF NON-GOVERNMENTAL PLANS.—A
11 plan shall not be treated as meeting the re-
12 quirements of this subparagraph unless the
13 plan satisfies rules similar to the rules of
14 subparagraph (A) or (B) of section
15 413(e)(1), except in the case of a multiple
16 employer plan maintained solely by any of
17 the following: A State, a political subdivi-
18 sion of a State, or an agency or instrumen-
19 tality of any one or more of the fore-
20 going.”.

21 (b) ANNUAL REGISTRATION FOR 403(b) MULTIPLE
22 EMPLOYER PLAN.—Section 6057 of such Code is amend-
23 ed by redesignating subsection (g) as subsection (h) and
24 by inserting after subsection (f) the following new sub-
25 section:

1 “(g) 403(b) MULTIPLE EMPLOYER PLANS TREATED
 2 AS ONE PLAN.—In the case of annuity contracts to which
 3 this section applies and to which section 403(b) applies
 4 by reason of the plan under which such contracts are pur-
 5 chased meeting the requirements of paragraph (15) there-
 6 of, such plan shall be treated as a single plan for purposes
 7 of this section.”.

8 (c) ANNUAL INFORMATION RETURNS FOR 403(b)
 9 MULTIPLE EMPLOYER PLAN.—Section 6058 of such Code
 10 is amended by redesignating subsection (f) as subsection
 11 (g) and by inserting after subsection (e) the following new
 12 subsection:

13 “(f) 403(b) MULTIPLE EMPLOYER PLANS TREATED
 14 AS ONE PLAN.—In the case of annuity contracts to which
 15 this section applies and to which section 403(b) applies
 16 by reason of the plan under which such contracts are pur-
 17 chased meeting the requirements of paragraph (15) there-
 18 of, such plan shall be treated as a single plan for purposes
 19 of this section.”.

20 (d) AMENDMENTS TO EMPLOYEE RETIREMENT IN-
 21 COME SECURITY ACT OF 1974.—

22 (1) IN GENERAL.—Section 3(43)(A) of the Em-
 23 ployee Retirement Income Security Act of 1974 is
 24 amended—

1 (A) in clause (ii), by striking “section
 2 501(a) of such Code or” and inserting “section
 3 501(a) of such Code, a plan that consists of
 4 contracts described in section 403(b) of such
 5 Code, or”; and

6 (B) in the flush text at the end, by striking
 7 “the plan.” and inserting “the plan, but such
 8 term shall include any program (other than a
 9 governmental plan) maintained for the benefit
 10 of the employees of more than 1 employer that
 11 consists of contracts described in section 403(b)
 12 of such Code and that meets the requirements
 13 of subparagraph (A) or (B) of section 413(e)(1)
 14 of such Code.”.

15 (2) CONFORMING AMENDMENTS.—Sections
 16 3(43)(B)(v)(II) and 3(44)(A)(i)(I) of the Employee
 17 Retirement Income Security Act of 1974 are each
 18 amended by striking “section 401(a) of such Code
 19 or” and inserting “section 401(a) of such Code, a
 20 plan that consists of contracts described in section
 21 403(b) of such Code, or”.

22 (e) REGULATIONS RELATING TO EMPLOYER FAIL-
 23 URE TO MEET MULTIPLE EMPLOYER PLAN REQUIRE-
 24 MENTS.—The Secretary of the Treasury (or the Sec-
 25 retary’s delegate) shall prescribe such regulations as may

1 be necessary to clarify, in the case of plans to which sec-
2 tion 403(b)(15) of the Internal Revenue Code of 1986 ap-
3 plies, the treatment of an employer departing such plan
4 in connection with such employer's failure to meet mul-
5 tiple employer plan requirements.

6 (f) MODIFICATION OF MODEL PLAN LANGUAGE,
7 ETC.—

8 (1) PLAN NOTIFICATIONS.—The Secretary of
9 the Treasury (or the Secretary's delegate) shall mod-
10 ify the model plan language published under section
11 413(e)(5) of the Internal Revenue Code of 1986 to
12 include language that notifies participating employ-
13 ers described in section 501(c)(3), and which are ex-
14 empt from tax under section 501(a), that the plan
15 is subject to the Employee Retirement Income Secu-
16 rity Act of 1974 and that such employer is a plan
17 sponsor with respect to its employees participating
18 in the multiple employer plan and, as such, has cer-
19 tain fiduciary duties with respect to the plan and to
20 its employees.

21 (2) MODEL PLANS FOR MULTIPLE EMPLOYER
22 403(B) NON-GOVERNMENTAL PLANS.—For plans to
23 which section 403(b)(15)(A) of the Internal Revenue
24 Code of 1986 applies (other than a plan maintained
25 for its employees by a State, a political subdivision

1 of a State, or an agency or instrumentality of any
2 one or more of the foregoing), the Secretary of the
3 Treasury shall publish model plan language similar
4 to model plan language published under section
5 413(e)(5) of such Code.

6 (3) EDUCATIONAL OUTREACH TO EMPLOYERS
7 EXEMPT FROM TAX.—The Secretary of the Treasury
8 (or the Secretary’s delegate) shall provide education
9 and outreach to increase awareness to employers de-
10 scribed in section 501(c)(3) of the Internal Revenue
11 Code of 1986, and which are exempt from tax under
12 section 501(a) of such Code, that multiple employer
13 plans are subject to the Employee Retirement In-
14 come Security Act of 1974 and that such employer
15 is a plan sponsor with respect to its employees par-
16 ticipating in the multiple employer plan and, as
17 such, has certain fiduciary duties with respect to the
18 plan and to its employees.

19 (g) NO INFERENCE WITH RESPECT TO CHURCH
20 PLANS.—Regarding any application of section 403(b) of
21 the Internal Revenue Code of 1986 to an annuity contract
22 purchased under a church plan (as defined in section
23 414(e) of such Code) maintained by more than 1 em-
24 ployer, or to any application of rules similar to section
25 413(e) of such Code to such a plan, no inference shall

1 be made from section 403(b)(15)(A) of such Code (as
2 added by this Act) not applying to such plans.

3 (h) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 this section shall apply to plan years beginning after
6 December 31, 2022.

7 (2) RULE OF CONSTRUCTION.—Nothing in the
8 amendments made by subsection (a) shall be con-
9 strued as limiting the authority of the Secretary of
10 the Treasury or the Secretary’s delegate (determined
11 without regard to such amendment) to provide for
12 the proper treatment of a failure to meet any re-
13 quirement applicable under the Internal Revenue
14 Code of 1986 with respect to one employer (and its
15 employees) in the case of a plan to which section
16 403(b)(15) of the Internal Revenue Code of 1986
17 applies.

18 **SEC. 411. TREATMENT OF STUDENT LOAN PAYMENTS AS**
19 **ELECTIVE DEFERRALS FOR PURPOSES OF**
20 **MATCHING CONTRIBUTIONS.**

21 (a) IN GENERAL.—Section 401(m)(4)(A) of the In-
22 ternal Revenue Code of 1986 is amended by striking
23 “and” at the end of clause (i), by striking the period at
24 the end of clause (ii) and inserting “, and”, and by adding
25 at the end the following new clause:

1 “(iii) subject to the requirements of
2 paragraph (13), any employer contribution
3 made to a defined contribution plan on be-
4 half of an employee on account of a quali-
5 fied student loan payment.”.

6 (b) QUALIFIED STUDENT LOAN PAYMENT.—Section
7 401(m)(4) of such Code is amended by adding at the end
8 the following new subparagraph:

9 “(D) QUALIFIED STUDENT LOAN PAY-
10 MENT.—The term ‘qualified student loan pay-
11 ment’ means a payment made by an employee
12 in repayment of a qualified education loan (as
13 defined section 221(d)(1)) incurred by the em-
14 ployee to pay qualified higher education ex-
15 penses, but only—

16 “(i) to the extent such payments in
17 the aggregate for the year do not exceed
18 an amount equal to—

19 “(I) the limitation applicable
20 under section 402(g) for the year (or,
21 if lesser, the employee’s compensation
22 (as defined in section 415(c)(3)) for
23 the year), reduced by

24 “(II) the elective deferrals made
25 by the employee for such year, and

1 “(ii) if the employee certifies to the
 2 employer making the matching contribu-
 3 tion under this paragraph that such pay-
 4 ment has been made on such loan.

5 For purposes of this subparagraph, the term
 6 ‘qualified higher education expenses’ means the
 7 cost of attendance (as defined in section 472 of
 8 the Higher Education Act of 1965, as in effect
 9 on the day before the date of the enactment of
 10 the Taxpayer Relief Act of 1997) at an eligible
 11 educational institution (as defined in section
 12 221(d)(2)).”.

13 (c) MATCHING CONTRIBUTIONS FOR QUALIFIED
 14 STUDENT LOAN PAYMENTS.—Section 401(m) of such
 15 Code is amended by redesignating paragraph (13) as para-
 16 graph (14), and by inserting after paragraph (12) the fol-
 17 lowing new paragraph:

18 “(13) MATCHING CONTRIBUTIONS FOR QUALI-
 19 FIED STUDENT LOAN PAYMENTS.—

20 “(A) IN GENERAL.—For purposes of para-
 21 graph (4)(A)(iii), an employer contribution
 22 made to a defined contribution plan on account
 23 of a qualified student loan payment shall be
 24 treated as a matching contribution for purposes
 25 of this title if—

1 “(i) the plan provides matching con-
2 tributions on account of elective deferrals
3 at the same rate as contributions on ac-
4 count of qualified student loan payments,

5 “(ii) the plan provides matching con-
6 tributions on account of qualified student
7 loan payments only on behalf of employees
8 otherwise eligible to receive matching con-
9 tributions on account of elective deferrals,

10 “(iii) under the plan, all employees el-
11 igible to receive matching contributions on
12 account of elective deferrals are eligible to
13 receive matching contributions on account
14 of qualified student loan payments, and

15 “(iv) the plan provides that matching
16 contributions on account of qualified stu-
17 dent loan payments vest in the same man-
18 ner as matching contributions on account
19 of elective deferrals.

20 “(B) TREATMENT FOR PURPOSES OF NON-
21 DISCRIMINATION RULES, ETC.—

22 “(i) NONDISCRIMINATION RULES.—
23 For purposes of subparagraph (A)(iii),
24 subsection (a)(4), and section 410(b),
25 matching contributions described in para-

graph (4)(A)(iii) shall not fail to be treated as available to an employee solely because such employee does not have debt incurred under a qualified education loan (as defined in section 221(d)(1)).

“(ii) STUDENT LOAN PAYMENTS NOT TREATED AS PLAN CONTRIBUTION.—Except as provided in clause (iii), a qualified student loan payment shall not be treated as a contribution to a plan under this title.

“(iii) MATCHING CONTRIBUTION RULES.—Solely for purposes of meeting the requirements of paragraph (11)(B) or (12) of this subsection, or paragraph (11)(B)(i)(II), (12)(B), or (13)(D) of subsection (k), a plan may treat a qualified student loan payment as an elective deferral or an elective contribution, whichever is applicable.

“(iv) ACTUAL DEFERRAL PERCENTAGE TESTING.—In determining whether a plan meets the requirements of subsection (k)(3)(A)(ii) for a plan year, the plan may apply the requirements of such subsection separately with respect to all employees

1 who receive matching contributions de-
2 scribed in paragraph (4)(A)(iii) for the
3 plan year.

4 “(C) EMPLOYER MAY RELY ON EMPLOYEE
5 CERTIFICATION.—The employer may rely on an
6 employee certification of payment under para-
7 graph (4)(D)(ii).”.

8 (d) SIMPLE RETIREMENT ACCOUNTS.—Section
9 408(p)(2) of such Code is amended by adding at the end
10 the following new subparagraph:

11 “(F) MATCHING CONTRIBUTIONS FOR
12 QUALIFIED STUDENT LOAN PAYMENTS.—

13 “(i) IN GENERAL.—Subject to the
14 rules of clause (iii), an arrangement shall
15 not fail to be treated as meeting the re-
16 quirements of subparagraph (A)(iii) solely
17 because under the arrangement, solely for
18 purposes of such subparagraph, qualified
19 student loan payments are treated as
20 amounts elected by the employee under
21 subparagraph (A)(i)(I) to the extent such
22 payments do not exceed—

23 “(I) the applicable dollar amount
24 under subparagraph (E) (after appli-
25 cation of section 414(v)) for the year

1 (or, if lesser, the employee's com-
2 pensation (as defined in section
3 415(c)(3)) for the year), reduced by

4 “(II) any other amounts elected
5 by the employee under subparagraph
6 (A)(i)(I) for the year.

7 “(ii) QUALIFIED STUDENT LOAN PAY-
8 MENT.—For purposes of this subpara-
9 graph—

10 “(I) IN GENERAL.—The term
11 ‘qualified student loan payment’
12 means a payment made by an em-
13 ployee in repayment of a qualified
14 education loan (as defined in section
15 221(d)(1)) incurred by the employee
16 to pay qualified higher education ex-
17 penses, but only if the employee cer-
18 tifies to the employer making the
19 matching contribution that such pay-
20 ment has been made on such a loan.

21 “(II) QUALIFIED HIGHER EDU-
22 CATION EXPENSES.—The term ‘quali-
23 fied higher education expenses’ has
24 the same meaning as when used in
25 section 401(m)(4)(D).

1 “(iii) APPLICABLE RULES.—Clause (i)
2 shall apply to an arrangement only if,
3 under the arrangement—

4 “(I) matching contributions on
5 account of qualified student loan pay-
6 ments are provided only on behalf of
7 employees otherwise eligible to elect
8 contributions under subparagraph
9 (A)(i)(I), and

10 “(II) all employees otherwise eli-
11 gible to participate in the arrange-
12 ment are eligible to receive matching
13 contributions on account of qualified
14 student loan payments.”.

15 (e) 403(b) PLANS.—Section 403(b)(12)(A) of such
16 Code is amended by adding at the end the following: “The
17 fact that the employer offers matching contributions on
18 account of qualified student loan payments as described
19 in section 401(m)(13) shall not be taken into account in
20 determining whether the arrangement satisfies the re-
21 quirements of clause (ii) (and any regulation there-
22 under).”.

23 (f) 457(b) PLANS.—Section 457(b) of such Code is
24 amended by adding at the end the following: “A plan
25 which is established and maintained by an employer which

1 is described in subsection (e)(1)(A) shall not be treated
2 as failing to meet the requirements of this subsection sole-
3 ly because the plan, or another plan maintained by the
4 employer which meets the requirements of section 401(a)
5 or 403(b), provides for matching contributions on account
6 of qualified student loan payments as described in section
7 401(m)(13).”.

8 (g) REGULATORY AUTHORITY.—The Secretary shall
9 prescribe regulations for purposes of implementing the
10 amendments made by this section, including regulations—

11 (1) permitting a plan to make matching con-
12 tributions for qualified student loan payments, as
13 defined in sections 401(m)(4)(D) and 408(p)(2)(F)
14 of the Internal Revenue Code of 1986, as added by
15 this section, at a different frequency than matching
16 contributions are otherwise made under the plan,
17 provided that the frequency is not less than annu-
18 ally;

19 (2) permitting employers to establish reasonable
20 procedures to claim matching contributions for such
21 qualified student loan payments under the plan, in-
22 cluding an annual deadline (not earlier than 3
23 months after the close of each plan year) by which
24 a claim must be made; and

1 (3) promulgating model amendments which
 2 plans may adopt to implement matching contribu-
 3 tions on such qualified student loan payments for
 4 purposes of sections 401(m), 408(p), 403(b), and
 5 457(b) of the Internal Revenue Code of 1986.

6 (h) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to contributions made for plan
 8 years beginning after December 31, 2022.

9 **SEC. 412. APPLICATION OF CREDIT FOR SMALL EMPLOYER**
 10 **PENSION PLAN STARTUP COSTS TO EMPLOY-**
 11 **ERS WHICH JOIN AN EXISTING PLAN.**

12 (a) IN GENERAL.—Section 45E(d)(3)(A) of the In-
 13 ternal Revenue Code of 1986 is amended by striking “ef-
 14 fective” and inserting “effective with respect to the eligible
 15 employer”.

16 (b) EFFECTIVE DATE.—The amendment made by
 17 this section shall take effect as if included in the enact-
 18 ment of section 104 of the Setting Every Community Up
 19 for Retirement Enhancement Act of 2019.

20 **SEC. 413. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**
 21 **BILITY CREDIT FOR SMALL EMPLOYERS.**

22 (a) IN GENERAL.—Subpart D of part IV of sub-
 23 chapter A of chapter 1 of the Internal Revenue Code of
 24 1986 is amended by adding at the end the following new
 25 section:

1 **“SEC. 45U. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**
2 **BILITY CREDIT FOR SMALL EMPLOYERS.**

3 “(a) IN GENERAL.—For purposes of section 38, in
4 the case of any eligible small employer, the military spouse
5 retirement plan eligibility credit determined under this
6 section for any taxable year is an amount equal to the
7 sum of—

8 “(1) \$250 with respect to each military spouse
9 who is an employee of such employer and who is eli-
10 gible to participate in an eligible defined contribu-
11 tion plan of such employer at any time during such
12 taxable year, plus

13 “(2) so much of the contributions made by such
14 employer to all such plans with respect to such em-
15 ployee during such taxable year as do not exceed
16 \$250.

17 “(b) LIMITATION.—An individual shall only be taken
18 into account as a military spouse under subsection (a) for
19 the taxable year which includes the date on which such
20 individual began participating in the eligible defined con-
21 tribution plan of the employer and the 2 succeeding tax-
22 able years.

23 “(c) ELIGIBLE SMALL EMPLOYER.—For purposes of
24 this section—

1 “(1) IN GENERAL.—The term ‘eligible small
2 employer’ means an eligible employer (as defined in
3 section 408(p)(2)(C)(i)(I)).

4 “(2) APPLICATION OF 2-YEAR GRACE PERIOD.—
5 A rule similar to the rule of section
6 408(p)(2)(C)(i)(II) shall apply for purposes of this
7 section.

8 “(d) MILITARY SPOUSE.—For purposes of this sec-
9 tion—

10 “(1) IN GENERAL.—The term ‘military spouse’
11 means, with respect to any employer, any individual
12 who is married (within the meaning of section 7703
13 as of the first date that the employee is employed by
14 the employer) to an individual who is a member of
15 the uniformed services (as defined section 101(a)(5)
16 of title 10, United States Code). For purposes of
17 this section, an employer may rely on an employee’s
18 certification that such employee’s spouse is a mem-
19 ber of the uniformed services if such certification
20 provides the name, rank, and service branch of such
21 spouse.

22 “(2) EXCLUSION OF HIGHLY COMPENSATED
23 EMPLOYEES.—With respect to any employer, the
24 term ‘military spouse’ shall not include any indi-
25 vidual if such individual is a highly compensated em-

1 ployee of such employer (within the meaning of sec-
2 tion 414(q)).

3 “(e) ELIGIBLE DEFINED CONTRIBUTION PLAN.—

4 For purposes of this section, the term ‘eligible defined con-
5 tribution plan’ means, with respect to any eligible small
6 employer, any defined contribution plan (as defined in sec-
7 tion 414(i)) of such employer if, under the terms of such
8 plan—

9 “(1) military spouses employed by such em-
10 ployer are eligible to participate in such plan not
11 later than the date which is 2 months after the date
12 on which such individual begins employment with
13 such employer, and

14 “(2) military spouses who are eligible to partici-
15 pate in such plan—

16 “(A) are immediately eligible to receive an
17 amount of employer contributions under such
18 plan which is not less the amount of such con-
19 tributions that a similarly situated participant
20 who is not a military spouse would be eligible
21 to receive under such plan after 2 years of serv-
22 ice, and

23 “(B) immediately have a nonforfeitable
24 right to the employee’s accrued benefit derived
25 from employer contributions under such plan.

1 “(f) AGGREGATION RULE.—All persons treated as a
 2 single employer under subsection (b), (c), (m), or (o) of
 3 section 414 shall be treated as one employer for purposes
 4 of this section.”.

5 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
 6 NESS CREDIT.—Section 38(b) of such Code is amended
 7 by striking “plus” at the end of paragraph (32), by strik-
 8 ing the period at the end of paragraph (33) and inserting
 9 “, plus”, and by adding at the end the following new para-
 10 graph:

11 “(34) in the case of an eligible small employer
 12 (as defined in section 45U(c)), the military spouse
 13 retirement plan eligibility credit determined under
 14 section 45U(a).”.

15 (c) SPECIFIED CREDIT FOR PURPOSES OF CER-
 16 TIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—
 17 Section 3511(d)(2) of such Code is amended by redesign-
 18 ating subparagraphs (F), (G), and (H) as subparagraphs
 19 (G), (H), and (I), respectively, and by inserting after sub-
 20 paragraph (E) the following new subparagraph:

21 “(F) section 45U (military spouse retire-
 22 ment plan eligibility credit),”.

23 (d) CLERICAL AMENDMENT.—The table of sections
 24 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end the fol-
 2 lowing new item:

“Sec. 45U. Military spouse retirement plan eligibility credit for small employ-
 ers.”.

3 (e) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 the date of the enactment of this Act.

6 **SEC. 414. SMALL IMMEDIATE FINANCIAL INCENTIVES FOR**
 7 **CONTRIBUTING TO A PLAN.**

8 (a) IN GENERAL.—Subparagraph (A) of section
 9 401(k)(4) of the Internal Revenue Code of 1986 is amend-
 10 ed by inserting “(other than a de minimis financial incen-
 11 tive)” after “any other benefit”.

12 (b) SECTION 403(B) PLANS.—Subparagraph (A) of
 13 section 403(b)(12) of such Code, as amended by the pre-
 14 ceding provisions of this Act, is amended by adding at the
 15 end the following: “A plan shall not fail to satisfy clause
 16 (ii) solely by reason of offering a de minimis financial in-
 17 centive to employees to elect to have the employer make
 18 contributions pursuant to a salary reduction agreement.”.

19 (c) EXEMPTION FROM PROHIBITED TRANSACTION
 20 RULES.—Subsection (d) of section 4975 of such Code is
 21 amended by striking “or” at the end of paragraph (22),
 22 by striking the period at the end of paragraph (23) and
 23 inserting “, or”, and by adding at the end the following
 24 new paragraph:

1 “(24) the provision of a de minimis financial in-
 2 centive described in section 401(k)(4)(A).”.

3 (d) AMENDMENT OF EMPLOYEE RETIREMENT IN-
 4 COME SECURITY ACT OF 1974.—Subsection (b) of section
 5 408 of the Employee Retirement Income Security Act of
 6 1974 (29 U.S.C. 1108(b)) is amended by adding at the
 7 end the following new paragraph:

8 “(21) The provision of a de minimis financial
 9 incentive described in section 401(k)(4)(A) or sec-
 10 tion 403(b)(12)(A) of the Internal Revenue Code of
 11 1986.”.

12 (e) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply with respect to plan years begin-
 14 ning after the date of enactment of this Act.

15 **SEC. 415. SAFE HARBOR FOR CORRECTIONS OF EMPLOYEE**
 16 **ELECTIVE DEFERRAL FAILURES.**

17 (a) IN GENERAL.—Section 414 of the Internal Rev-
 18 enue Code of 1986 is amended by adding at the end the
 19 following new subsection:

20 “(aa) CORRECTING AUTOMATIC CONTRIBUTION ER-
 21 RORS.—

22 “(1) IN GENERAL.—Any plan or arrangement
 23 shall not fail to be treated as a plan described in
 24 sections 401(a), 403(b), 408, or 457(b), as applica-
 25 ble, solely by reason of a corrected error.

1 “(2) CORRECTED ERROR DEFINED.—For pur-
2 poses of this subsection, the term ‘corrected error’
3 means a reasonable administrative error in imple-
4 menting an automatic enrollment or automatic esca-
5 lation feature in accordance with the terms of an eli-
6 gible automatic contribution arrangement (as de-
7 fined under subsection (w)(3)), provided that such
8 implementation error—

9 “(A) is corrected by the date that is 9½
10 months after the end of the plan year during
11 which the error occurred,

12 “(B) is corrected in a manner that is fa-
13 vorable to the participant, and

14 “(C) is of a type which is so corrected for
15 all similarly situated participants in a non-
16 discriminatory manner.

17 Such correction may occur before or after the partic-
18 ipant has terminated employment and may occur
19 without regard to whether the error is identified by
20 the Secretary.

21 “(3) REGULATIONS AND GUIDANCE FOR FAVOR-
22 ABLE CORRECTION METHODS.—The Secretary shall,
23 by regulations or other guidance of general applica-
24 bility, specify the correction methods that are in a

1 manner favorable to the participant for purposes of
2 paragraph (2)(B).”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply with respect to any errors with
5 respect to which the date referred to in section 414(aa)
6 (as added by this section) is after the date of enactment
7 of this Act.

8 **SEC. 416. IMPROVING COVERAGE FOR PART-TIME WORK-**
9 **ERS.**

10 (a) IN GENERAL.—Section 202 of the Employee Re-
11 tirement Income Security Act of 1974 (29 U.S.C. 1052)
12 is amended by adding at the end the following new sub-
13 section:

14 “(c) SPECIAL RULE FOR CERTAIN PART-TIME EM-
15 PLOYEES.—

16 “(1) IN GENERAL.—A pension plan that in-
17 cludes either a qualified cash or deferred arrange-
18 ment (as defined in section 401(k) of the Internal
19 Revenue Code of 1986) or a salary reduction agree-
20 ment (as described in section 403(b) of such Code)
21 shall not require, as a condition of participation in
22 the arrangement or agreement, that an employee
23 complete a period of service with the employer (or
24 employers) maintaining the plan extending beyond
25 the close of the earlier of—

1 “(A) the period permitted under subsection
 2 (a)(1) (determined without regard to subpara-
 3 graph (B)(i) thereof); or

4 “(B) the first 24-month period—

5 “(i) consisting of 2 consecutive 12-
 6 month periods during each of which the
 7 employee has at least 500 hours of service;
 8 and

9 “(ii) by the close of which the em-
 10 ployee has attained the age of 21.

11 “(2) EXCEPTION.—Paragraph (1)(B) shall not
 12 apply to any employee described in section 410(b)(3)
 13 of the Internal Revenue Code of 1986.

14 “(3) COORDINATION WITH OTHER RULES.—

15 “(A) IN GENERAL.—In the case of employ-
 16 ees who are eligible to participate in the ar-
 17 rangement or agreement solely by reason of
 18 paragraph (1)(B):

19 “(i) EXCLUSIONS.—An employer may
 20 elect to exclude such employees from the
 21 application of subsections (a)(4), (k)(3),
 22 (k)(12), (k)(13), and (m)(2) of section 401
 23 of the Internal Revenue Code of 1986 and
 24 section 410(b) of such Code.

1 “(ii) NONDISCRIMINATION RULES.—
2 Notwithstanding paragraph (1), section
3 401(k)(15)(B)(i)(I) of such Code shall
4 apply.

5 “(iii) TIME OF PARTICIPATION.—The
6 rules of subsection (a)(4) shall apply to
7 such employees.

8 “(B) TOP-HEAVY RULES.—An employer
9 may elect to exclude all employees who are eligi-
10 ble to participate in a plan maintained by the
11 employer solely by reason of paragraph (1)(B)
12 from the application of the vesting and benefit
13 requirements under subsections (b) and (c) of
14 section 416 of the Internal Revenue Code of
15 1986.

16 “(4) 12-MONTH PERIOD.—For purposes of this
17 subsection, 12-month periods shall be determined in
18 the same manner as under the last sentence of sub-
19 section (a)(3)(A), except that 12-month periods be-
20 ginning before January 1, 2021, shall not be taken
21 into account.”.

22 (b) VESTING.—Section 203(b) of the Employee Re-
23 tirement Income Security Act of 1974 (29 U.S.C.
24 1053(a)) is amended by redesignating paragraph (4) as

1 paragraph (5) and by inserting after paragraph (3) the
2 following new paragraph:

3 “(4) PART-TIME EMPLOYEES.—For purposes of
4 determining whether an employee who is eligible to
5 participate in a qualified cash or deferred arrange-
6 ment or a salary reduction agreement under a plan
7 solely by reason of section 202(c)(1)(B) has a non-
8 forfeitable right to employer contributions—

9 “(A) except as provided in subparagraph
10 (B), each 12-month period for which the em-
11 ployee has at least 500 hours of service shall be
12 treated as a year of service; and

13 “(B) paragraph (3) shall be applied by
14 substituting ‘at least 500 hours of service’ for
15 ‘more than 500 hours of service’ in subpara-
16 graph (A) thereof.

17 For purposes of this paragraph, 12-month periods
18 shall be determined in the same manner as under
19 the last sentence of section 202(a)(3)(A), except that
20 12-month periods beginning before January 1, 2021,
21 shall not be taken into account.”.

22 (c) REDUCTION IN PERIOD SERVICE REQUIREMENT
23 FOR QUALIFIED CASH AND DEFERRED ARRANGE-
24 MENTS.—Section 401(k)(2)(D)(ii) of the Internal Revenue

1 Code of 1986 is amended by striking “3” and inserting
2 “2”.

3 (d) PRE-2021 SERVICE.—Section 112(b) of the Set-
4 ting Every Community Up for Retirement Enhancement
5 Act of 2019 (26 U.S.C. 401 note) is amended by striking
6 “section 401(k)(2)(D)(ii)” and inserting “paragraphs
7 (2)(D)(ii) and (15)(B)(iii) of section 401(k)”.

8 (e) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), the amendments made by this section
11 shall apply to plan years beginning after December
12 31, 2022.

13 (2) SUBSECTION (D).—The amendment made
14 by subsection (d) shall take effect as if included in
15 the enactment of section 112 of the Setting Every
16 Community Up for Retirement Enhancement Act of
17 2019.

18 **SEC. 417. DEFERRAL OF TAX FOR CERTAIN SALES OF EM-**
19 **PLOYER STOCK TO EMPLOYEE STOCK OWN-**
20 **ERSHIP PLAN SPONSORED BY S CORPORA-**
21 **TION.**

22 (a) IN GENERAL.—Section 1042(c)(1)(A) of the In-
23 ternal Revenue Code of 1986 is amended by striking “do-
24 mestic C corporation” and inserting “domestic corpora-
25 tion”.

1 (b) 10 PERCENT LIMITATION ON APPLICATION OF
 2 GAIN ON SALE OF S CORPORATION STOCK.—Section
 3 1042 of such Code is amended by adding at the end the
 4 following new subsection:

5 “(h) APPLICATION OF SECTION TO SALE OF STOCK
 6 IN S CORPORATION.—In the case of the sale of qualified
 7 securities of an S corporation, the election under sub-
 8 section (a) may be made with respect to not more than
 9 10 percent of the amount realized on such sale for pur-
 10 poses of determining the amount of gain not recognized
 11 and the extent to which (if at all) the amount realized
 12 on such sale exceeds the cost of qualified replacement
 13 property. The portion of adjusted basis that is properly
 14 allocable to the portion of the amount realized with respect
 15 to which the election is made under this subsection shall
 16 be taken into account for purposes of the preceding sen-
 17 tence.”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to sales after December 31, 2027.

20 **SEC. 418. CERTAIN SECURITIES TREATED AS PUBLICLY**
 21 **TRADED IN CASE OF EMPLOYEE STOCK OWN-**
 22 **ERSHIP PLANS.**

23 (a) IN GENERAL.—Section 401(a)(35) of the Internal
 24 Revenue Code of 1986 is amended by adding at the end
 25 the following new subparagraph:

1 “(I) ESOP RULES RELATING TO PUBLICLY
2 TRADED SECURITIES.—In the case of an appli-
3 cable defined contribution plan which is an em-
4 ployee stock ownership plan, an employer secu-
5 rity shall be treated as described in subpara-
6 graph (G)(v) if—

7 “(i) the security is the subject of
8 priced quotations by at least 4 dealers,
9 published and made continuously available
10 on an interdealer quotation system (as
11 such term is used in section 13 of the Se-
12 curities Exchange Act of 1934) which has
13 made the request described in section 6(j)
14 of such Act to be treated as an alternative
15 trading system,

16 “(ii) the security is not a penny stock
17 (as defined by section 3(a)(51) of such
18 Act),

19 “(iii) the security is issued by a cor-
20 poration which is not a shell company (as
21 such term is used in section 4(d)(6) of the
22 Securities Act of 1933), a blank check
23 company (as defined in section 7(b)(3) of
24 such Act), or subject to bankruptcy pro-
25 ceedings,

1 “(iv) the security has a public float
2 (as such term is used in section 240.12b–
3 2 of title 17, Code of Federal Regulations)
4 which has a fair market value of at least
5 \$1,000,000 and constitutes at least 10 per-
6 cent of the total shares issued and out-
7 standing.

8 “(v) in the case of a security issued
9 by a domestic corporation, the issuer pub-
10 lishes, not less frequently than annually, fi-
11 nancial statements audited by an inde-
12 pendent auditor registered with the Public
13 Company Accounting Oversight Board es-
14 tablished under the Sarbanes-Oxley Act of
15 2002, and

16 “(vi) in the case of a security issued
17 by a foreign corporation, the security is
18 represented by a depositary share (as de-
19 fined under section 240.12b–2 of title 17,
20 Code of Federal Regulations), or is issued
21 by a foreign corporation incorporated in
22 Canada and readily tradeable on an estab-
23 lished securities market in Canada, and
24 the issuer—

1 “(I) is subject to, and in compli-
 2 ance with, the reporting requirements
 3 of section 13 or 15(d) of the Securi-
 4 ties Exchange Act of 1934 (15 U.S.C.
 5 78m or 78o(d)),

6 “(II) is subject to, and in compli-
 7 ance with, the reporting requirements
 8 of section 230.257 of title 17, Code of
 9 Federal Regulations, or

10 “(III) is exempt from such re-
 11 quirements under section 240.12g3-
 12 2(b) of title 17, Code of Federal Reg-
 13 ulations.”.

14 (b) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to plan years beginning after De-
 16 cember 31, 2027.

17 **SEC. 419. REMOVE REQUIRED MINIMUM DISTRIBUTION**
 18 **BARRIERS FOR LIFE ANNUITIES.**

19 (a) IN GENERAL.—Section 401(a)(9) of the Internal
 20 Revenue Code of 1986 is amended by adding at the end
 21 the following new subparagraph:

22 “(J) CERTAIN INCREASES IN PAYMENTS
 23 UNDER A COMMERCIAL ANNUITY.—Nothing in
 24 this section shall prohibit a commercial annuity
 25 (within the meaning of section 3405(e)(6)) that

1 is issued in connection with any eligible retire-
2 ment plan (within the meaning of section
3 402(c)(8)(B), other than a defined benefit plan)
4 from providing one or more of the following
5 types of payments on or after the annuity start-
6 ing date:

7 “(i) annuity payments that increase
8 by a constant percentage, applied not less
9 frequently than annually, at a rate that is
10 less than 5 percent per year,

11 “(ii) a lump sum payment that—

12 “(I) results in a shortening of the
13 payment period with respect to an an-
14 nuity or a full or partial commutation
15 of the future annuity payments, pro-
16 vided that such lump sum is deter-
17 mined using reasonable actuarial
18 methods and assumptions, as deter-
19 mined in good faith by the issuer of
20 the contract, or

21 “(II) accelerates the receipt of
22 annuity payments that are scheduled
23 to be received within the ensuing 12
24 months, regardless of whether such
25 acceleration shortens the payment pe-

1 riod with respect to the annuity, re-
2 duces the dollar amount of benefits to
3 be paid under the contract, or results
4 in a suspension of annuity payments
5 during the period being accelerated,

6 “(iii) an amount which is in the na-
7 ture of a dividend or similar distribution,
8 provided that the issuer of the contract de-
9 termines such amount based on a reason-
10 able comparison of the actuarial factors as-
11 sumed when calculating the initial annuity
12 payments and the issuer’s experience with
13 respect to those factors, or

14 “(iv) a final payment upon death that
15 does not exceed the excess of the total
16 amount of the consideration paid for the
17 annuity payments, less the aggregate
18 amount of prior distributions or payments
19 from or under the contract.”.

20 (b) **EFFECTIVE DATE.**—This section shall apply to
21 calendar years ending after the date of the enactment of
22 this Act.

23 **SEC. 420. QUALIFYING LONGEVITY ANNUITY CONTRACTS.**

24 (a) **IN GENERAL.**—Not later than the date which is
25 1 year after the date of the enactment of this Act, the

1 Secretary of the Treasury or the Secretary's delegate
2 (hereafter in this section referred to as the "Secretary")
3 shall amend the regulation issued by the Department of
4 the Treasury relating to "Longevity Annuity Contracts"
5 (79 Fed. Reg. 37633 (July 2, 2014)), as follows:

6 (1) REPEAL 25-PERCENT PREMIUM LIMIT.—The
7 Secretary shall amend Q&A–17(b)(3) of Treasury
8 Regulation section 1.401(a)(9)–6 and Q&A–12(b)(3)
9 of Treasury Regulation section 1.408–8 to eliminate
10 the requirement that premiums for qualifying lon-
11 gevity annuity contracts be limited to a percentage
12 of an individual's account balance, and to make such
13 corresponding changes to the regulations and related
14 forms as are necessary to reflect the elimination of
15 this requirement.

16 (2) FACILITATE JOINT AND SURVIVOR BENE-
17 FITS.—The Secretary shall amend Q&A–17(c) of
18 Treasury Regulation section 1.401(a)(9)–6, and
19 make such corresponding changes to the regulations
20 and related forms as are necessary, to provide that,
21 in the case of a qualifying longevity annuity contract
22 which was purchased with joint and survivor annuity
23 benefits for the individual and the individual's
24 spouse which were permissible under the regulations
25 at the time the contract was originally purchased, a

1 divorce occurring after the original purchase and be-
2 fore the annuity payments commence under the con-
3 tract will not affect the permissibility of the joint
4 and survivor annuity benefits or other benefits under
5 the contract, or require any adjustment to the
6 amount or duration of benefits payable under the
7 contract, provided that any qualified domestic rela-
8 tions order (within the meaning of section 414(p) of
9 the Internal Revenue Code of 1986) or, in the case
10 of an arrangement not subject to section 414(p) of
11 such Code or section 206(d) of the Employee Retirement
12 Income Security Act of 1974 (29 U.S.C.
13 1056(d)), any divorce or separation instrument (as
14 defined in subsection (b))—

15 (A) provides that the former spouse is en-
16 titled to the survivor benefits under the con-
17 tract;

18 (B) does not modify the treatment of the
19 former spouse as the beneficiary under the con-
20 tract who is entitled to the survivor benefits; or

21 (C) does not modify the treatment of the
22 former spouse as the measuring life for the sur-
23 vivor benefits under the contract.

24 (3) PERMIT SHORT FREE LOOK PERIOD.—The
25 Secretary shall amend Q&A–17(a)(4) of Treasury

1 Regulation section 1.401(a)(9)–6 to ensure that
2 such Q&A does not preclude a contract from includ-
3 ing a provision under which an employee may re-
4 scind the purchase of the contract within a period
5 not exceeding 90 days from the date of purchase.

6 (b) DIVORCE OR SEPARATION INSTRUMENT.—For
7 purposes of subsection (a)(2), the term “divorce or separa-
8 tion instrument” means—

9 (1) a decree of divorce or separate maintenance
10 or a written instrument incident to such a decree,

11 (2) a written separation agreement, or

12 (3) a decree (not described in paragraph (1))
13 requiring a spouse to make payments for the sup-
14 port or maintenance of the other spouse.

15 (c) EFFECTIVE DATES, ENFORCEMENT, AND INTER-
16 PRETATIONS.—

17 (1) EFFECTIVE DATES.—

18 (A) Paragraph (1) of subsection (a) shall
19 be effective with respect to contracts purchased
20 or received in an exchange on or after the date
21 of the enactment of this Act.

22 (B) Paragraphs (2) and (3) of subsection
23 (a) shall be effective with respect to contracts
24 purchased or received in an exchange on or
25 after July 2, 2014.

1 (2) ENFORCEMENT AND INTERPRETATIONS.—

2 Prior to the date on which the Secretary issues final
3 regulations pursuant to subsection (a)—

4 (A) the Secretary (or delegate) shall ad-
5 minister and enforce the law in accordance with
6 subsection (a) and the effective dates in para-
7 graph (1) of this subsection; and

8 (B) taxpayers may rely upon their reason-
9 able good faith interpretations of subsection (a).

10 (d) REGULATORY SUCCESSOR PROVISION.—Any ref-
11 erence to a regulation under this section shall be treated
12 as including a reference to any successor regulation there-
13 to.

14 **SEC. 421. INSURANCE-DEDICATED EXCHANGE-TRADED**
15 **FUNDS.**

16 (a) IN GENERAL.—Not later than the date which is
17 7 years after the date of the enactment of this Act, the
18 Secretary of the Treasury (or the Secretary's delegate)
19 shall amend the regulation issued by the Department of
20 the Treasury relating to “Income Tax; Diversification Re-
21 quirements for Variable Annuity, Endowment, and Life
22 Insurance Contracts”, 54 Fed. Reg. 8728 (March 2,
23 1989), and make any necessary corresponding amend-
24 ments to other regulations, in order to facilitate the use
25 of exchange-traded funds as investment options under

1 variable contracts within the meaning of section 817(d)
2 of the Internal Revenue Code of 1986, in accordance with
3 subsections (b) and (c) of this section.

4 (b) DESIGNATE CERTAIN AUTHORIZED PARTICI-
5 PANTS AND MARKET MAKERS AS ELIGIBLE INVESTORS.—
6 The Secretary of the Treasury (or the Secretary’s dele-
7 gate) shall amend Treasury Regulation section 1.817–
8 5(f)(3) to provide that satisfaction of the requirements in
9 Treasury Regulation section 1.817–5(f)(2)(i) with respect
10 to an exchange-traded fund shall not be prevented by rea-
11 son of beneficial interests in such a fund being held by
12 1 or more authorized participants or market makers.

13 (c) DEFINE RELEVANT TERMS.—In amending
14 Treasury Regulation section 1.817–5(f)(3) in accordance
15 with subsections (b) of this section, the Secretary of the
16 Treasury (or the Secretary’s delegate) shall provide defini-
17 tions consistent with the following:

18 (1) EXCHANGE-TRADED FUND.—The term “ex-
19 change-traded fund” means a regulated investment
20 company, partnership, or trust—

21 (A) that is registered with the Securities
22 and Exchange Commission as an open-end in-
23 vestment company or a unit investment trust;

1 (B) the shares of which can be purchased
2 or redeemed directly from the fund only by an
3 authorized participant; and

4 (C) the shares of which are traded
5 throughout the day on a national stock ex-
6 change at market prices that may or may not
7 be the same as the net asset value of the
8 shares.

9 (2) AUTHORIZED PARTICIPANT.—The term
10 “authorized participant” means a financial institu-
11 tion that is a member or participant of a clearing
12 agency registered under section 17A(b) of the Secu-
13 rities Exchange Act of 1934 that enters into a con-
14 tractual relationship with an exchange-traded fund
15 pursuant to which the financial institution is per-
16 mitted to purchase and redeem shares directly from
17 the fund and to sell such shares to third parties, but
18 only if the contractual arrangement or applicable law
19 precludes the financial institution from—

20 (A) purchasing the shares for its own in-
21 vestment purposes rather than for the exclusive
22 purpose of creating and redeeming such shares
23 on behalf of third parties; and

24 (B) selling the shares to third parties who
25 are not market makers or otherwise described

1 in paragraphs (2) and (3) of Treasury Regula-
2 tion section 1.817–5(f).

3 (3) MARKET MAKER.—The term “market
4 maker” means a financial institution that is a reg-
5 istered broker or dealer under section 15(b) of the
6 Securities Exchange Act of 1934 that maintains li-
7 quidity for an exchange-traded fund on a national
8 stock exchange by being always ready to buy and sell
9 shares of such fund on the market, but only if the
10 financial institution is contractually or legally pre-
11 cluded from selling or buying such shares to or from
12 persons who are not authorized participants or oth-
13 erwise described in paragraphs (2) and (3) of Treas-
14 ury Regulations section 1.817–5(f).

15 (d) EFFECTIVE DATE.—Subsections (b) and (c) shall
16 apply to segregated asset account investments made on
17 or after the date that is 7 years after the date of the enact-
18 ment of this Act.

19 **SEC. 422. RECOVERY OF RETIREMENT PLAN OVERPAY-**
20 **MENTS.**

21 (a) OVERPAYMENTS UNDER ERISA.—Section 206 of
22 the Employee Retirement Income Security Act of 1974
23 (29 U.S.C. 1056) is amended by adding at the end the
24 following new subsection:

1 “(h) SPECIAL RULES APPLICABLE TO BENEFIT
2 OVERPAYMENTS.—

3 “(1) GENERAL RULE.—In the case of an inad-
4 vertent benefit overpayment by any pension plan, the
5 responsible plan fiduciary shall not be considered to
6 have failed to comply with the requirements of this
7 title merely because such fiduciary determines, in
8 the exercise of its fiduciary discretion, not to seek
9 recovery of all or part of such overpayment from—

10 “(A) any participant or beneficiary,

11 “(B) any plan sponsor of, or contributing
12 employer to—

13 “(i) an individual account plan, pro-
14 vided that the amount needed to prevent or
15 restore any impermissible forfeiture from
16 any participant’s or beneficiary’s account
17 arising in connection with the overpayment
18 is, separately from and independently of
19 the overpayment, allocated to such account
20 pursuant to the nonforfeitability require-
21 ments of section 203 (for example, out of
22 the plan’s forfeiture account, additional
23 employer contributions, or recoveries from
24 those responsible for the overpayment), or

1 “(ii) a defined benefit pension plan
2 subject to the funding rules in part 3 of
3 this subtitle B, unless the responsible plan
4 fiduciary determines, in the exercise of its
5 fiduciary discretion, that failure to recover
6 all or part of the overpayment faster than
7 required under such funding rules would
8 materially affect the plan’s ability to pay
9 benefits due to other participants and
10 beneficiaries, or

11 “(C) any fiduciary of the plan, other than
12 a fiduciary (including a plan sponsor or contrib-
13 uting employer acting in a fiduciary capacity)
14 whose breach of its fiduciary duties resulted in
15 such overpayment, provided that if the plan has
16 established prudent procedures to prevent and
17 minimize overpayment of benefits and the rel-
18 evant plan fiduciaries have followed such proce-
19 dures, an inadvertent benefit overpayment will
20 not give rise to a breach of fiduciary duty.

21 “(2) REDUCTION IN FUTURE BENEFIT PAY-
22 MENTS AND RECOVERY FROM RESPONSIBLE
23 PARTY.—Paragraph (1) shall not fail to apply with
24 respect to any inadvertent benefit overpayment

1 merely because, after discovering such overpayment,
2 the responsible plan fiduciary—

3 “(A) reduces future benefit payments to
4 the correct amount provided for under the
5 terms of the plan, or

6 “(B) seeks recovery from the person or
7 persons responsible for the overpayment.

8 “(3) EMPLOYER FUNDING OBLIGATIONS.—
9 Nothing in this subsection shall relieve an employer
10 of any obligation imposed on it to make contribu-
11 tions to a plan to meet the minimum funding stand-
12 ards under part 3 of this subtitle B or to prevent
13 or restore an impermissible forfeiture in accordance
14 with section 203.

15 “(4) RECOUPMENT FROM PARTICIPANTS AND
16 BENEFICIARIES.—If the responsible plan fiduciary,
17 in the exercise of its fiduciary discretion, decides to
18 seek recoupment from a participant or beneficiary of
19 all or part of an inadvertent benefit overpayment
20 made by the plan to such participant or beneficiary,
21 it may do so, subject to the following conditions:

22 “(A) No interest or other additional
23 amounts (such as collection costs or fees) are
24 sought on overpaid amounts for any period.

1 “(B) If the plan seeks to recoup past over-
2 payments of a non-decreasing periodic benefit
3 by reducing future benefit payments—

4 “(i) the reduction ceases after the
5 plan has recovered the full dollar amount
6 of the overpayment,

7 “(ii) the amount recouped each cal-
8 endar year does not exceed 10 percent of
9 the full dollar amount of the overpayment,
10 and

11 “(iii) future benefit payments are not
12 reduced to below 90 percent of the periodic
13 amount otherwise payable under the terms
14 of the plan.

15 Alternatively, if the plan seeks to recoup past
16 overpayments of a non-decreasing periodic ben-
17 efit through one or more installment payments,
18 the sum of such installment payments in any
19 calendar year does not exceed the sum of the
20 reductions that would be permitted in such year
21 under the preceding sentence.

22 “(C) If the plan seeks to recoup past over-
23 payments of a benefit other than a non-decreas-
24 ing periodic benefit, the plan satisfies require-

1 ments developed by the Secretary for purposes
2 of this subparagraph.

3 “(D) Efforts to recoup overpayments are—

4 “(i) not accompanied by threats of
5 litigation, unless the responsible plan fidu-
6 ciary reasonably believes it could prevail in
7 a civil action brought in Federal or State
8 court to recoup the overpayments, and

9 “(ii) not made through a collection
10 agency or similar third party, unless the
11 participant or beneficiary ignores or rejects
12 efforts to recoup the overpayment following
13 either a final judgment in Federal or State
14 court or a settlement between the partici-
15 pant or beneficiary and the plan, in either
16 case authorizing such recoupment.

17 “(E) Recoupment of past overpayments to
18 a participant is not sought from any beneficiary
19 of the participant, including a spouse, surviving
20 spouse, former spouse, or other beneficiary.

21 “(F) Recoupment may not be sought if the
22 first overpayment occurred more than 3 years
23 before the participant or beneficiary is first no-
24 tified in writing of the error.

1 “(G) A participant or beneficiary from
2 whom recoupment is sought is entitled to con-
3 test all or part of the recoupment pursuant to
4 the plan’s claims procedures.

5 “(H) In determining the amount of
6 recoupment to seek, the responsible plan fidu-
7 ciary may take into account the hardship that
8 recoupment likely would impose on the partici-
9 pant or beneficiary.

10 “(5) EFFECT OF CULPABILITY.—Subpara-
11 graphs (A) through (F) of paragraph (4) shall not
12 apply to protect a participant or beneficiary who is
13 culpable. For purposes of this paragraph, a partici-
14 pant or beneficiary is culpable if the individual bears
15 responsibility for the overpayment (such as through
16 misrepresentations or omissions that led to the over-
17 payment), or if the individual knew, or had good
18 reason to know under the circumstances, that the
19 benefit payment or payments were materially in ex-
20 cess of the correct amount. Notwithstanding the pre-
21 ceding sentence, an individual is not culpable merely
22 because the individual believed the benefit payment
23 or payments were or might be in excess of the cor-
24 rect amount, if the individual raised that question
25 with an authorized plan representative and was told

1 the payment or payments were not in excess of the
 2 correct amount. With respect to a culpable partici-
 3 pant or beneficiary, efforts to recoup overpayments
 4 shall not be made through threats of litigation, un-
 5 less a lawyer for the plan could make the representa-
 6 tions required under Rule 11 of the Federal Rules
 7 of Civil Procedure if the litigation were brought in
 8 Federal court.”.

9 (b) OVERPAYMENTS UNDER INTERNAL REVENUE
 10 CODE OF 1986.—

11 (1) QUALIFICATION REQUIREMENTS.—Section
 12 414 of the Internal Revenue Code of 1986, as
 13 amended by this preceding provisions of this Act, is
 14 amended by adding at the end the following new
 15 subsection:

16 “(bb) SPECIAL RULES APPLICABLE TO BENEFIT
 17 OVERPAYMENTS.—

18 “(1) IN GENERAL.—A plan shall not fail to be
 19 treated as described in clause (i), (ii), (iii), or (iv)
 20 of section 219(g)(5)(A) (and shall not fail to be
 21 treated as satisfying the requirements of section
 22 401(a) or 403) merely because—

23 “(A) the plan fails to obtain payment from
 24 any participant, beneficiary, employer, plan
 25 sponsor, fiduciary, or other party on account of

1 any inadvertent benefit overpayment made by
2 the plan, or

3 “(B) the plan sponsor amends the plan to
4 increase past or future benefit payments to af-
5 fected participants and beneficiaries in order to
6 adjust for prior inadvertent benefit overpay-
7 ments.

8 “(2) REDUCTION IN FUTURE BENEFIT PAY-
9 MENTS AND RECOVERY FROM RESPONSIBLE
10 PARTY.—Paragraph (1) shall not fail to apply to a
11 plan merely because, after discovering a benefit over-
12 payment, such plan—

13 “(A) reduces future benefit payments to
14 the correct amount provided for under the
15 terms of the plan, or

16 “(B) seeks recovery from the person or
17 persons responsible for such overpayment.

18 “(3) EMPLOYER FUNDING OBLIGATIONS.—
19 Nothing in this subsection shall relieve an employer
20 of any obligation imposed on it to make contribu-
21 tions to a plan to meet the minimum funding stand-
22 ards under sections 412 and 430 or to prevent or re-
23 store an impermissible forfeiture in accordance with
24 section 411.

1 “(4) OBSERVANCE OF BENEFIT LIMITATIONS.—
2 Notwithstanding paragraph (1), a plan to which
3 paragraph (1) applies shall observe any limitations
4 imposed on it by section 401(a)(17) or 415. The
5 plan may enforce such limitations using any method
6 approved by the Secretary of the Treasury for re-
7 couping benefits previously paid or allocations pre-
8 viously made in excess of such limitations.

9 “(5) COORDINATION WITH OTHER QUALIFICA-
10 TION REQUIREMENTS.—The Secretary of the Treas-
11 ury may issue regulations or other guidance of gen-
12 eral applicability specifying how benefit overpay-
13 ments and their recoupment or non-recoupment
14 from a participant or beneficiary shall be taken into
15 account for purposes of satisfying any requirement
16 applicable to a plan to which paragraph (1) ap-
17 plies.”.

18 (2) ROLLOVERS.—Section 402(c) of such Code
19 is amended by adding at the end the following new
20 paragraph:

21 “(12) In the case of an inadvertent benefit
22 overpayment from a plan to which section
23 414(bb)(1) applies that is transferred to an eligible
24 retirement plan by or on behalf of a participant or
25 beneficiary—

1 “(A) the portion of such overpayment with
2 respect to which recoupment is not sought on
3 behalf of the plan shall be treated as having
4 been paid in an eligible rollover distribution if
5 the payment would have been an eligible roll-
6 over distribution but for being an overpayment,
7 and

8 “(B) the portion of such overpayment with
9 respect to which recoupment is sought on behalf
10 of the plan shall be permitted to be returned to
11 such plan and in such case shall be treated as
12 an eligible rollover distribution transferred to
13 such plan by the participant or beneficiary who
14 received such overpayment (and the plans mak-
15 ing and receiving such transfer shall be treated
16 as permitting such transfer).

17 In any case in which recoupment is sought on behalf
18 of the plan but is disputed by the participant or ben-
19 eficiary who received such overpayment, such dispute
20 shall be subject to the claims procedures of the plan
21 that made such overpayment, such plan shall notify
22 the plan receiving the rollover of such dispute, and
23 the plan receiving the rollover shall retain such over-
24 payment on behalf of the participant or beneficiary
25 (and shall be entitled to treat such overpayment as

1 plan assets) pending the outcome of such proce-
2 dures.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply as of the date of the enactment
5 of this Act.

6 (d) CERTAIN ACTIONS BEFORE DATE OF ENACT-
7 MENT.—Plans, fiduciaries, employers, and plan sponsors
8 are entitled to rely on—

9 (1) a good faith interpretation of then existing
10 administrative guidance for inadvertent benefit over-
11 payment recoupments and recoveries that com-
12 menced before the date of enactment of this Act,
13 and

14 (2) determinations made before the date of en-
15 actment of this Act by the responsible plan fidu-
16 ciary, in the exercise of its fiduciary discretion, not
17 to seek recoupment or recovery of all or part of an
18 inadvertent benefit overpayment.

19 In the case of a benefit overpayment that occurred prior
20 to the date of enactment of this Act, any installment pay-
21 ments by the participant or beneficiary to the plan or any
22 reduction in periodic benefit payments to the participant
23 or beneficiary, which were made in recoupment of such
24 overpayment and which commenced prior to such date,
25 may continue after such date. Nothing in this subsection

1 shall relieve a fiduciary from responsibility for an overpay-
 2 ment that resulted from a breach of its fiduciary duties.

3 **SEC. 423. REDUCTION IN EXCISE TAX ON CERTAIN ACCU-**
 4 **MULATIONS IN QUALIFIED RETIREMENT**
 5 **PLANS.**

6 (a) IN GENERAL.—Section 4974(a) of the Internal
 7 Revenue Code of 1986 is amended by striking “50 per-
 8 cent” and inserting “25 percent”.

9 (b) REDUCTION IN EXCISE TAX ON FAILURES TO
 10 TAKE REQUIRED MINIMUM DISTRIBUTIONS.—Section
 11 4974 of such Code is amended by adding at the end the
 12 following new subsection:

13 “(e) REDUCTION OF TAX IN CERTAIN CASES.—

14 “(1) REDUCTION.—In the case of a taxpayer
 15 who—

16 “(A) corrects, during the correction win-
 17 dow, a shortfall of distributions from an indi-
 18 vidual retirement plan which resulted in imposi-
 19 tion of a tax under subsection (a), and

20 “(B) submits a return, during the correc-
 21 tion window, reflecting such tax (as modified by
 22 this subsection),

23 the first sentence of subsection (a) shall be applied
 24 by substituting ‘10 percent’ for ‘25 percent’.

1 “(2) CORRECTION WINDOW.—For purposes of
 2 this subsection, the term ‘correction window’ means
 3 the period of time beginning on the date on which
 4 the tax under subsection (a) is imposed with respect
 5 to a shortfall of distributions from an individual re-
 6 tirement plan, and ending on the earlier of—

7 “(A) the date on which the Secretary initi-
 8 ates an audit, or otherwise demands payment,
 9 with respect to the shortfall of distributions, or

10 “(B) the last day of the second taxable
 11 year that begins after the end of the taxable
 12 year in which the tax under subsection (a) is
 13 imposed.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to taxable years beginning after
 16 December 31, 2022.

17 **SEC. 424. PERFORMANCE BENCHMARKS FOR ASSET ALLO-**
 18 **CATION FUNDS.**

19 (a) IN GENERAL.—Not later than 1 year after the
 20 date of enactment of this Act, the Secretary of Labor shall
 21 provide that, in the case of a designated investment alter-
 22 native that contains a mix of asset classes, the adminis-
 23 trator of a plan may, but is not required to, use a bench-
 24 mark that is a blend of different broad-based securities
 25 market indices if—

1 (1) the blend is reasonably representative of the
2 asset class holdings of the designated investment al-
3 ternative;

4 (2) for purposes of determining the blend's re-
5 turns for 1-, 5-, and 10-calendar-year periods (or for
6 the life of the alternative, if shorter), the blend is
7 modified at least once per year to reflect changes in
8 the asset class holdings of the designated investment
9 alternative;

10 (3) the blend is furnished to participants and
11 beneficiaries in a manner that is reasonably designed
12 to be understandable; and

13 (4) each securities market index that is used for
14 an associated asset class would separately satisfy the
15 requirements of such regulation for such asset class.

16 (b) STUDY.—Not later than 3 years after the date
17 of enactment of this Act, the Secretary of Labor shall de-
18 liver a report to the Committees on Finance and Health,
19 Education, Labor, and Pensions of the Senate and the
20 Committees on Ways and Means and Education and
21 Labor of the House of Representatives regarding the utili-
22 zation, effectiveness, and participants' understanding of
23 the benchmarking requirements under this section.

1 **SEC. 425. REVIEW AND REPORT TO CONGRESS RELATING**
2 **TO REPORTING AND DISCLOSURE REQUIRE-**
3 **MENTS.**

4 (a) STUDY.—As soon as practicable after the date of
5 enactment of this Act, the Secretary of Labor, the Sec-
6 retary of the Treasury, and the Director of the Pension
7 Benefit Guaranty Corporation shall review the reporting
8 and disclosure requirements as applicable to each such
9 agency head, of—

10 (1) the Employee Retirement Income Security
11 Act of 1974 applicable to pension plans (as defined
12 in section 3(2) of such Act (29 U.S.C. 1002(2)); and

13 (2) the Internal Revenue Code of 1986 applica-
14 ble to qualified retirement plans (as defined in sec-
15 tion 4974(c) of such Code, without regard to para-
16 graphs (4) and (5) of such section).

17 (b) REPORT.—

18 (1) IN GENERAL.—Not later than 2 years after
19 the date of enactment of this Act, the Secretary of
20 Labor, the Secretary of the Treasury, and the Direc-
21 tor of the Pension Benefit Guaranty Corporation,
22 jointly, and after consultation with a balanced group
23 of participant and employer representatives, shall
24 with respect to plans referenced in subsection (a) re-
25 port on the effectiveness of the applicable reporting
26 and disclosure requirements and make such rec-

1 ommendations as may be appropriate to the Com-
2 mittee on Education and Labor and the Committee
3 on Ways and Means of the House of Representatives
4 and the Committee on Health, Education, Labor,
5 and Pensions and the Committee on Finance of the
6 Senate to consolidate, simplify, standardize, and im-
7 prove such requirements so as to simplify reporting
8 for such plans and ensure that plans can furnish
9 and participants and beneficiaries timely receive and
10 better understand the information they need to mon-
11 itor their plans, plan for retirement, and obtain the
12 benefits they have earned.

13 (2) ANALYSIS OF EFFECTIVENESS.—To assess
14 the effectiveness of the applicable reporting and dis-
15 closure requirements, the report shall include an
16 analysis, based on plan data, of how participants
17 and beneficiaries are providing preferred contact in-
18 formation, the methods by which plan sponsors and
19 plans are furnishing disclosures, and the rate at
20 which participants and beneficiaries (grouped by key
21 demographics) are receiving, accessing, under-
22 standing, and retaining disclosures.

23 (3) COLLECTION OF INFORMATION.—The agen-
24 cies shall conduct appropriate surveys and data col-
25 lection to obtain any needed information.

1 **SEC. 426. ELIMINATING UNNECESSARY PLAN REQUIRE-**
2 **MENTS RELATED TO UNENROLLED PARTICI-**
3 **PANTS.**

4 (a) AMENDMENT OF EMPLOYEE RETIREMENT IN-
5 COME SECURITY ACT OF 1974.—

6 (1) IN GENERAL.—Part 1 of subtitle B of sub-
7 chapter I of the Employee Retirement Income Secu-
8 rity Act of 1974 is amended by redesignating section
9 111 as section 112 and by inserting after section
10 110 the following new section:

11 **“SEC. 111. ELIMINATING UNNECESSARY PLAN REQUIRE-**
12 **MENTS RELATED TO UNENROLLED PARTICI-**
13 **PANTS.**

14 “(a) IN GENERAL.—Notwithstanding any other pro-
15 vision of this title, with respect to any individual account
16 plan, no disclosure, notice, or other plan document (other
17 than the notices and documents described in paragraphs
18 (1) and (2)) shall be required to be furnished under this
19 title to any unenrolled participant if the unenrolled partici-
20 pant receives—

21 “(1) an annual reminder notice of such partici-
22 pant’s eligibility to participate in such plan and any
23 applicable election deadlines under the plan; and

24 “(2) any document requested by such partici-
25 pant that the participant would be entitled to receive
26 notwithstanding this section.

1 “(b) UNENROLLED PARTICIPANT.—For purposes of
2 this section, the term ‘unenrolled participant’ means an
3 employee who—

4 “(1) is eligible to participate in an individual
5 account plan;

6 “(2) has received—

7 “(A) the summary plan description pursu-
8 ant to section 104(b); and

9 “(B) any other notices related to eligibility
10 under the plan required to be furnished under
11 this title, or the Internal Revenue Code of
12 1986, in connection with such participant’s ini-
13 tial eligibility to participate in such plan;

14 “(3) is not participating in such plan;

15 “(4) does not have an account balance in the
16 plan; and

17 “(5) satisfies such other criteria as the Sec-
18 retary of Labor may determine appropriate, as pre-
19 scribed in guidance issued in consultation with the
20 Secretary of Treasury.

21 For purposes of this section, any eligibility to participate
22 in the plan following any period for which such employee
23 was not eligible to participate shall be treated as initial
24 eligibility.

1 “(c) ANNUAL REMINDER NOTICE.—For purposes of
2 this section, the term ‘annual reminder notice’ means a
3 notice provided in accordance with section 2520.104b–1
4 of title 29, Code of Federal Regulations (or any successor
5 regulation), which—

6 “(1) is furnished in connection with the annual
7 open season election period with respect to the plan
8 or, if there is no such period, is furnished within a
9 reasonable period prior to the beginning of each plan
10 year;

11 “(2) notifies the unenrolled participant of—

12 “(A) the unenrolled participant’s eligibility
13 to participate in the plan; and

14 “(B) the key benefits and rights under the
15 plan, with a focus on employer contributions
16 and vesting provisions; and

17 “(3) provides such information in a prominent
18 manner calculated to be understood by the average
19 participant.”.

20 (2) CLERICAL AMENDMENT.—The table of con-
21 tents in section 1 of the Employee Retirement In-
22 come Security Act of 1974 is amended by striking
23 the item relating to section 111 and by inserting
24 after the item relating to section 110 the following
25 new items:

“Sec. 111. Eliminating unnecessary plan requirements related to unenrolled participants.

“Sec. 112. Repeal and effective date.”.

1 (b) AMENDMENT OF INTERNAL REVENUE CODE OF
2 1986.—Section 414 of the Internal Revenue Code of
3 1986, as amended by the preceding provisions of this Act,
4 is amended by adding at the end the following new sub-
5 section:

6 “(cc) ELIMINATING UNNECESSARY PLAN REQUIRE-
7 MENTS RELATED TO UNENROLLED PARTICIPANTS.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of this title, with respect to any defined
10 contribution plan, no disclosure, notice, or other plan
11 document (other than the notices and documents de-
12 scribed in subparagraphs (A) and (B)) shall be re-
13 quired to be furnished under this title to any
14 unenrolled participant if the unenrolled participant
15 receives—

16 “(A) an annual reminder notice of such
17 participant’s eligibility to participate in such
18 plan and any applicable election deadlines under
19 the plan, and

20 “(B) any document requested by such par-
21 ticipant that the participant would be entitled
22 to receive notwithstanding this subsection.

1 “(2) UNENROLLED PARTICIPANT.—For pur-
2 poses of this subsection, the term ‘unenrolled partici-
3 pant’ means an employee who—

4 “(A) is eligible to participate in a defined
5 contribution plan,

6 “(B) has received—

7 “(i) the summary plan description
8 pursuant to section 104(b) of the Em-
9 ployee Retirement Income Security Act of
10 1974, and

11 “(ii) any other notices related to eligi-
12 bility under the plan and required to be
13 furnished under this title, or the Employee
14 Retirement Income Security Act of 1974,
15 in connection with such participant’s initial
16 eligibility to participate in such plan,

17 “(C) is not participating in such plan,

18 “(D) does not have an account balance in
19 the plan, and

20 “(E) satisfies such other criteria as the
21 Secretary of the Treasury may determine ap-
22 propriate, as prescribed in guidance issued in
23 consultation with the Secretary of Labor.

24 For purposes of this subsection, any eligibility to
25 participate in the plan following any period for

1 which such employee was not eligible to participate
2 shall be treated as initial eligibility.

3 “(3) ANNUAL REMINDER NOTICE.—For pur-
4 poses of this subsection, the term ‘annual reminder
5 notice’ means the notice described in section 111(c)
6 of the Employee Retirement Income Security Act of
7 1974.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to plan years beginning after De-
10 cember 31, 2022.

11 **SEC. 427. RETIREMENT SAVINGS LOST AND FOUND.**

12 (a) IN GENERAL.—

13 (1) ESTABLISHMENT OF RETIREMENT SAVINGS
14 LOST AND FOUND.—Part 5 of title I of the Em-
15 ployee Retirement Income Security Act of 1974 (29
16 U.S.C. 1341 et seq.) is amended by adding at the
17 end the following:

18 **“SEC. 523. RETIREMENT SAVINGS LOST AND FOUND.**

19 “(a) ESTABLISHMENT.—

20 “(1) IN GENERAL.—Not later than 2 years
21 after the date of the enactment of this section, the
22 Secretary of Labor, in consultation with the Sec-
23 retary of the Treasury, shall establish an online
24 searchable database (to be managed by the Depart-
25 ment of Labor in accordance with this section) to be

1 known as the ‘Retirement Savings Lost and Found’.

2 The Retirement Savings Lost and Found shall—

3 “(A) allow an individual to search for in-
4 formation that enables the individual to locate
5 the administrator of any plan described in para-
6 graph (2) with respect to which the individual
7 is or was a participant or beneficiary, and pro-
8 vide contact information for the administrator
9 of any such plan;

10 “(B) allow the Department of Labor to as-
11 sist such an individual in locating any such plan
12 of the individual; and

13 “(C) allow the Department of Labor to
14 make any necessary changes to contact infor-
15 mation on record for the administrator based
16 on any changes to the plan due to merger or
17 consolidation of the plan with any other plan,
18 division of the plan into two or more plans,
19 bankruptcy, termination, change in name of the
20 plan, change in name or address of the admin-
21 istrator, or other causes.

22 The Retirement Savings Lost and Found established
23 under this paragraph shall include information re-
24 ported under this section and other relevant infor-
25 mation obtained by the Department of Labor.

1 “(2) PLANS DESCRIBED.—A plan described in
2 this paragraph is a plan to which the vesting stand-
3 ards of section 203 apply.

4 “(b) ADMINISTRATION.—The Retirement Savings
5 Lost and Found established under subsection (a) shall
6 provide individuals described in subsection (a)(1) only
7 with the ability to search for information that enables the
8 individual to locate the administrator and contact informa-
9 tion for the administrator of any plan with respect to
10 which the individual is or was a participant or beneficiary,
11 sufficient to allow the individual to locate the individual’s
12 plan in order to recover any benefit owing to the individual
13 under the plan.

14 “(c) SAFEGUARDING PARTICIPANT PRIVACY AND SE-
15 CURITY.—In establishing the Retirement Savings Lost
16 and Found under subsection (a), the Department of Labor
17 shall take all necessary and proper precautions to ensure
18 that individuals’ plan information maintained by the Re-
19 tirement Savings Lost and Found is protected.

20 “(d) DEFINITION OF ADMINISTRATOR.—For pur-
21 poses of this section, the term ‘administrator’ has the
22 meaning given such term in section 3(16)(A).

23 “(e) INFORMATION COLLECTION FROM PLANS.—Ef-
24 fective with respect to plan years beginning after the sec-
25 ond December 31 occurring after the date of the enact-

1 ment of this subsection, the administrator of a plan to
2 which the vesting standards of section 203 apply shall sub-
3 mit to the Department of Labor, at such time and in such
4 form and manner as is prescribed in regulations—

5 “(1) the information described in paragraphs
6 (1) through (4) of section 6057(b) of the Internal
7 Revenue Code of 1986;

8 “(2) the information described in subpara-
9 graphs (A) and (B) of section 6057(a)(2) of such
10 Code;

11 “(3) the name and taxpayer identifying number
12 of each participant or former participant in the
13 plan—

14 “(A) who, during the current plan year or
15 any previous plan year, was reported under sec-
16 tion 6057(a)(2)(C) of such Code, and with re-
17 spect to whom the benefits described in clause
18 (ii) thereof were fully paid during the plan year;

19 “(B) with respect to whom any amount
20 was distributed under section 401(a)(31)(B) of
21 such Code during the plan year; or

22 “(C) with respect to whom a deferred an-
23 nuity contract was distributed during the plan
24 year;

1 “(4) in the case of a participant or former par-
2 ticipant to whom paragraph (3) applies—

3 “(A) in the case of a participant described
4 in subparagraph (B) thereof, the name and ad-
5 dress of the designated trustee or issuer de-
6 scribed in section 401(a)(31)(B)(i) of such
7 Code and the account number of the individual
8 retirement plan to which the amount was dis-
9 tributed; and

10 “(B) in the case of a participant described
11 in subparagraph (C) thereof, the name and ad-
12 dress of the issuer of such annuity contract and
13 the contract or certificate number; and

14 “(5) such other information as the Secretary of
15 Labor may require.

16 “(f) INFORMATION COLLECTION FROM FEDERAL
17 AGENCIES.—On request, the Secretary of Labor may ac-
18 cess and receive such information collected by other Fed-
19 eral agencies as may be necessary and appropriate to per-
20 form work related to the Retirement Savings Lost and
21 Found.

22 “(g) PROGRAM INTEGRITY AUDIT.—On an annual
23 basis for each of the first 5 years beginning one year after
24 the establishment of the database in subsection (a)(1) and
25 every 5 years thereafter, the Inspector General of the De-

1 partment of Labor shall conduct an audit of the adminis-
 2 tration of the Retirement Savings Lost and Found.”.

3 (3) CONFORMING AMENDMENT.—The table of
 4 contents for the Employee Retirement Income Secu-
 5 rity Act of 1974 (29 U.S.C. 1001 et seq.) is amend-
 6 ed by inserting after the item relating to section 522
 7 the following:

“Sec. 523. Retirement Savings Lost and Found.”.

8 **SEC. 428. UPDATING DOLLAR LIMIT FOR MANDATORY DIS-**
 9 **TRIBUTIONS.**

10 (a) IN GENERAL.—Section 203(e)(1) of the Em-
 11 ployee Retirement Income Security Act of 1974 and sec-
 12 tions 401(a)(31)(B)(ii) and 411(a)(11)(A) of the Internal
 13 Revenue Code of 1986 are each amended by striking
 14 “\$5,000” and inserting “\$7,000”.

15 (b) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to distributions made after Decem-
 17 ber 31, 2022.

18 **SEC. 429. EXPANSION OF EMPLOYEE PLANS COMPLIANCE**
 19 **RESOLUTION SYSTEM.**

20 (a) IN GENERAL.—Except as otherwise provided in
 21 the Internal Revenue Code of 1986 or regulations pre-
 22 scribed by the Secretary of the Treasury or the Secretary’s
 23 delegate (referred to in this section as the “Secretary”),
 24 any eligible inadvertent failure to comply with the rules
 25 applicable under section 401(a), 403(a), 403(b), 408(p),

1 or 408(k) of such Code may be self-corrected under the
2 Employee Plans Compliance Resolution System (as de-
3 scribed in Revenue Procedure 2021–30, or any successor
4 guidance, and hereafter in this section referred to as the
5 “EPCRS”), except to the extent that such failure was
6 identified by the Secretary prior to any actions which dem-
7 onstrate a commitment to implement a self-correction.
8 Revenue Procedure 2021–30 is deemed amended as of the
9 date of the enactment of this Act to provide that the cor-
10 rection period under section 9.02 of such Revenue Proce-
11 dure (or any successor guidance) for an eligible inad-
12 vertent failure, except as otherwise provided under such
13 Code or in regulations prescribed by the Secretary, is in-
14 definite and has no last day, other than with respect to
15 failures identified by the Secretary prior to any self-correc-
16 tion as described in the preceding sentence.

17 (b) LOAN ERRORS.—In the case of an eligible inad-
18 vertent failure relating to a loan from a plan to a partici-
19 pant—

20 (1) such failure may be self-corrected under
21 subsection (a) according to the rules of section 6.07
22 of Revenue Procedure 2021–30 (or any successor
23 guidance), including the provisions related to wheth-
24 er a deemed distribution must be reported on Form
25 1099–R; and

1 (2) the Secretary of Labor shall treat any such
2 failure which is so self-corrected under subsection
3 (a) as meeting the requirements of the Voluntary Fi-
4 duciary Correction Program of the Department of
5 Labor if, with respect to the violation of the fidu-
6 ciary standards of the Employee Retirement Income
7 Security Act of 1974, there is a similar loan error
8 eligible for correction under EPCRS and the loan
9 error is corrected in such manner.

10 (c) EPCRS FOR IRAS.—The Secretary shall expand
11 the EPCRS to allow custodians of individual retirement
12 plans (as defined in section 7701(a)(37) of the Internal
13 Revenue Code of 1986) to address eligible inadvertent fail-
14 ures with respect to an individual retirement plan (as so
15 defined), including (but not limited to)—

16 (1) waivers of the excise tax which would other-
17 wise apply under section 4974 of the Internal Rev-
18 enue Code of 1986;

19 (2) under the self-correction component of the
20 EPCRS, waivers of the 60-day deadline for a roll-
21 over where the deadline is missed for reasons beyond
22 the reasonable control of the account owner; and

23 (3) rules permitting a nonspouse beneficiary to
24 return distributions to an inherited individual retire-
25 ment plan described in section 408(d)(3)(C) of the

1 Internal Revenue Code of 1986 in a case where, due
2 to an inadvertent error by a service provider, the
3 beneficiary had reason to believe that the distribu-
4 tion could be rolled over without inclusion in income
5 of any part of the distributed amount.

6 (d) ADDITIONAL SAFE HARBORS.—The Secretary
7 shall expand the EPCRS to provide additional safe harbor
8 means of correcting eligible inadvertent failures described
9 in subsection (a), including safe harbor means of calcu-
10 lating the earnings which must be restored to a plan in
11 cases where plan assets have been depleted by reason of
12 an eligible inadvertent failure.

13 (e) ELIGIBLE INADVERTENT FAILURE.—For pur-
14 poses of this section—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the term “eligible inadvertent failure”
17 means a failure that occurs despite the existence of
18 practices and procedures which—

19 (A) satisfy the standards set forth in sec-
20 tion 4.04 of Revenue Procedure 2021–30 (or
21 any successor guidance); or

22 (B) satisfy similar standards in the case of
23 an individual retirement plan.

24 (2) EXCEPTION.—The term “eligible inad-
25 vertent failure” shall not include any failure which

1 is egregious, relates to the diversion or misuse of
 2 plan assets, or is directly or indirectly related to an
 3 abusive tax avoidance transaction.

4 (f) APPLICATION OF CERTAIN REQUIREMENTS FOR
 5 CORRECTING ERRORS.—This section shall not apply to
 6 any failure unless the correction of such failure under this
 7 section is made in conformity with the general principles
 8 that apply to corrections of such failures under the Inter-
 9 nal Revenue Code of 1986, including regulations or other
 10 guidance issued thereunder and including those principles
 11 and corrections set forth in Revenue Procedure 2021–30
 12 (or any successor guidance).

13 **SEC. 430. ELIMINATE THE “FIRST DAY OF THE MONTH” RE-**
 14 **QUIREMENT FOR GOVERNMENTAL SECTION**
 15 **457(B) PLANS.**

16 (a) IN GENERAL.—Section 457(b)(4) of the Internal
 17 Revenue Code of 1986 is amended to read as follows:

18 “(4) which provides that compensation—

19 “(A) in the case of an eligible employer de-
 20 scribed in subsection (e)(1)(A), will be deferred
 21 only if an agreement providing for such deferral
 22 has been entered into before the compensation
 23 is currently available to the individual, and

24 “(B) in any other case, will be deferred for
 25 any calendar month only if an agreement pro-

1 viding for such deferral has been entered into
2 before the beginning of such month,”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

6 **SEC. 431. ONE-TIME ELECTION FOR QUALIFIED CHARITABLE**
7 **TABLE DISTRIBUTION TO SPLIT-INTEREST**
8 **ENTITY; INCREASE IN QUALIFIED CHARITABLE**
9 **TABLE DISTRIBUTION LIMITATION.**

10 (a) **ONE-TIME ELECTION FOR QUALIFIED CHARITABLE**
11 **TABLE DISTRIBUTION TO SPLIT-INTEREST ENTITY.**—
12 Section 408(d)(8) of the Internal Revenue Code of 1986
13 is amended by adding at the end the following new sub-
14 paragraph:

15 “(F) **ONE-TIME ELECTION FOR QUALIFIED**
16 **CHARITABLE DISTRIBUTION TO SPLIT-INTEREST**
17 **ENTITY.**—

18 “(i) **IN GENERAL.**—A taxpayer may
19 for a taxable year elect under this subpara-
20 graph to treat as meeting the requirement
21 of subparagraph (B)(i) any distribution
22 from an individual retirement account
23 which is made directly by the trustee to a
24 split-interest entity, but only if—

1 “(I) an election is not in effect
2 under this subparagraph for a pre-
3 ceding taxable year,

4 “(II) the aggregate amount of
5 distributions of the taxpayer with re-
6 spect to which an election under this
7 subparagraph is made does not exceed
8 \$50,000, and

9 “(III) such distribution meets the
10 requirements of clauses (iii) and (iv).

11 “(ii) SPLIT-INTEREST ENTITY.—For
12 purposes of this subparagraph, the term
13 ‘split-interest entity’ means—

14 “(I) a charitable remainder annu-
15 ity trust (as defined in section
16 664(d)(1)), but only if such trust is
17 funded exclusively by qualified chari-
18 table distributions,

19 “(II) a charitable remainder
20 unitrust (as defined in section
21 664(d)(2)), but only if such unitrust
22 is funded exclusively by qualified char-
23 itable distributions, or

24 “(III) a charitable gift annuity
25 (as defined in section 501(m)(5)), but

1 only if such annuity is funded exclu-
2 sively by qualified charitable distribu-
3 tions and commences fixed payments
4 of 5 percent or greater not later than
5 1 year from the date of funding.

6 “(iii) CONTRIBUTIONS MUST BE OTH-
7 ERWISE DEDUCTIBLE.—A distribution
8 meets the requirement of this clause only
9 if—

10 “(I) in the case of a distribution
11 to a charitable remainder annuity
12 trust or a charitable remainder
13 unitrust, a deduction for the entire
14 value of the remainder interest in the
15 distribution for the benefit of a speci-
16 fied charitable organization would be
17 allowable under section 170 (deter-
18 mined without regard to subsection
19 (b) thereof and this paragraph), and

20 “(II) in the case of a charitable
21 gift annuity, a deduction in an
22 amount equal to the amount of the
23 distribution reduced by the value of
24 the annuity described in section
25 501(m)(5)(B) would be allowable

1 under section 170 (determined with-
 2 out regard to subsection (b) thereof
 3 and this paragraph).

4 “(iv) LIMITATION ON INCOME INTER-
 5 ESTS.—A distribution meets the require-
 6 ments of this clause only if—

7 “(I) no person holds an income
 8 interest in the split-interest entity
 9 other than the individual for whose
 10 benefit such account is maintained,
 11 the spouse of such individual, or both,
 12 and

13 “(II) the income interest in the
 14 split-interest entity is nonassignable.

15 “(v) SPECIAL RULES.—

16 “(I) CHARITABLE REMAINDER
 17 TRUSTS.—Notwithstanding section
 18 664(b), distributions made from a
 19 trust described in subclause (I) or (II)
 20 of clause (ii) shall be treated as ordi-
 21 nary income in the hands of the bene-
 22 ficiary to whom the annuity described
 23 in section 664(d)(1)(A) or the pay-
 24 ment described in section
 25 664(d)(2)(A) is paid.

1 “(II) CHARITABLE GIFT ANNU-
 2 ITIES.—Qualified charitable distribu-
 3 tions made to fund a charitable gift
 4 annuity shall not be treated as an in-
 5 vestment in the contract for purposes
 6 of section 72(c).”.

7 (b) INFLATION ADJUSTMENT.—Section 408(d)(8) of
 8 such Code, as amended by subsection (a), is amended by
 9 adding at the end the following new subparagraph:

10 “(G) INFLATION ADJUSTMENT.—

11 “(i) IN GENERAL.—In the case of any
 12 taxable year beginning after 2022, each of
 13 the dollar amounts in subparagraphs (A)
 14 and (F) shall be increased by an amount
 15 equal to—

16 “(I) such dollar amount, multi-
 17 plied by

18 “(II) the cost-of-living adjust-
 19 ment determined under section 1(f)(3)
 20 for the calendar year in which the tax-
 21 able year begins, determined by sub-
 22 stituting ‘calendar year 2021’ for ‘cal-
 23 endar year 2016’ in subparagraph
 24 (A)(ii) thereof.

1 “(ii) ROUNDING.—If any dollar
2 amount increased under clause (i) is not a
3 multiple of \$1,000, such dollar amount
4 shall be rounded to the nearest multiple of
5 \$1,000.”.

6 (c) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to distributions made in taxable
8 years ending after the date of the enactment of this Act.

9 **SEC. 432. DISTRIBUTIONS TO FIREFIGHTERS.**

10 (a) IN GENERAL.—Subparagraph (A) of section
11 72(t)(10) of the Internal Revenue Code of 1986 is amend-
12 ed by striking “414(d))” and inserting “414(d)) or a dis-
13 tribution from a plan described in clause (iii), (iv), or (vi)
14 of section 402(c)(8)(B) to an employee who provides fire-
15 fighting services”.

16 (b) CONFORMING AMENDMENT.—The heading of
17 paragraph (10) of section 72(t) of such Code is amended
18 by striking “IN GOVERNMENTAL PLANS” and inserting
19 “AND PRIVATE SECTOR FIREFIGHTERS”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to distributions made after Decem-
22 ber 31, 2022.

1 **SEC. 433. EXCLUSION OF CERTAIN DISABILITY-RELATED**
 2 **FIRST RESPONDER RETIREMENT PAYMENTS.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-
 4 ter 1 of the Internal Revenue Code of 1986 is amended
 5 by inserting after section 139B the following new section:

6 **“SEC. 139C. CERTAIN DISABILITY-RELATED FIRST RE-**
 7 **SPONDER RETIREMENT PAYMENTS.**

8 “(a) IN GENERAL.—In the case of an individual who
 9 receives qualified first responder retirement payments for
 10 any taxable year, gross income shall not include so much
 11 of such payments as do not exceed the annualized exclud-
 12 able disability amount with respect to such individual.

13 “(b) QUALIFIED FIRST RESPONDER RETIREMENT
 14 PAYMENTS.—For purposes of this section, the term ‘quali-
 15 fied first responder retirement payments’ means, with re-
 16 spect to any taxable year, any pension or annuity which
 17 but for this section would be includible in gross income
 18 for such taxable year and which is received—

19 “(1) from a plan described in clause (iii), (iv),
 20 (v), or (vi) of section 402(c)(8)(B), and

21 “(2) in connection with such individual’s quali-
 22 fied first responder service.

23 “(c) ANNUALIZED EXCLUDABLE DISABILITY
 24 AMOUNT.—For purposes of this section—

25 “(1) IN GENERAL.—The term ‘annualized ex-
 26 cludable disability amount’ means, with respect to

1 any individual, the service-connected excludable dis-
2 ability amounts which are properly attributable to
3 the 12-month period immediately preceding the date
4 on which such individual attains retirement age.

5 “(2) SERVICE-CONNECTED EXCLUDABLE DIS-
6 ABILITY AMOUNT.—The term ‘service-connected ex-
7 cludable disability amount’ means periodic payments
8 received by an individual which—

9 “(A) are not includible in such individual’s
10 gross income under section 104(a)(1),

11 “(B) are received in connection with such
12 individual’s qualified first responder service,
13 and

14 “(C) terminate when such individual at-
15 tains retirement age.

16 “(3) SPECIAL RULE FOR PARTIAL-YEAR PAY-
17 MENTS.—In the case of an individual who only re-
18 ceives service-connected excludable disability
19 amounts properly attributable to a portion of the 12-
20 month period described in paragraph (1), such para-
21 graph shall be applied by multiplying such amounts
22 by the ratio of 365 to the number of days in such
23 period to which such amounts were properly attrib-
24 utable.

1 “(d) QUALIFIED FIRST RESPONDER SERVICE.—For
 2 purposes of this section, the term ‘qualified first responder
 3 service’ means service as a law enforcement officer, fire-
 4 fighter, paramedic, or emergency medical technician.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
 6 for part III of subchapter B of chapter 1 of such Code
 7 is amended by inserting after the item relating to section
 8 139B the following new item:

“Sec. 139C. Certain disability-related first responder retirement payments.”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to amounts received with respect
 11 to taxable years beginning after December 31, 2027.

12 **SEC. 434. INDIVIDUAL RETIREMENT PLAN STATUTE OF LIM-**
 13 **ITATIONS FOR EXCISE TAX ON EXCESS CON-**
 14 **TRIBUTIONS AND CERTAIN ACCUMULATIONS.**

15 Section 6501(l) of the Internal Revenue Code of 1986
 16 is amended by adding at the end the following new para-
 17 graph:

18 “(4) INDIVIDUAL RETIREMENT PLANS.—

19 “(A) IN GENERAL.—For purposes of any
 20 tax imposed by section 4973 or 4974 in connec-
 21 tion with an individual retirement plan, the re-
 22 turn referred to in this section shall be the in-
 23 come tax return filed by the person on whom
 24 the tax under such section is imposed for the

year in which the act (or failure to act) giving rise to the liability for such tax occurred.

“(B) RULE IN CASE OF INDIVIDUALS NOT REQUIRED TO FILE RETURN.—In the case of a person who is not required to file an income tax return for such year—

“(i) the return referred to in this section shall be the income tax return that such person would have been required to file but for the fact that such person was not required to file such return, and

“(ii) the 3-year period referred to in subsection (a) with respect to the return shall be deemed to begin on the date by which the return would have been required to be filed (excluding any extension thereof).”.

SEC. 435. REQUIREMENT TO PROVIDE PAPER STATEMENTS

IN CERTAIN CASES.

(a) IN GENERAL.—Section 105(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)(2)) is amended—

(1) in subparagraph (A)(iv), by inserting “subject to subparagraph (E),” before “may be delivered”; and

(2) by adding at the end the following:

“(E) PROVISION OF PAPER STATEMENTS.—With respect to at least 1 pension benefit statement furnished for a calendar year with respect to an individual account plan under paragraph (1)(A), and with respect to at least 1 pension benefit statement furnished every 3 calendar years with respect to a defined benefit plan under paragraph (1)(B), such statement shall be furnished on paper in written form except—

“(i) in the case of a plan that furnishes such statement in accordance with section 2520.104b–1(c) of title 29, Code of Federal Regulations; or

“(ii) in the case of a plan that permits a participant or beneficiary to request that the statements referred to in the matter preceding clause (i) be furnished by electronic delivery, if the participant or beneficiary requests that such statements be delivered electronically and the statements are so delivered.”.

(b) IMPLEMENTATION.—

1 (1) IN GENERAL.—The Secretary of Labor
2 shall, not later than December 31, 2022, update sec-
3 tion 2520.104b–1(c) of title 29, Code of Federal
4 Regulations, to provide that a plan may furnish the
5 statements referred to in subparagraph (E) of sec-
6 tion 105(a)(2) by electronic delivery only if, in addi-
7 tion to meeting the other requirements under the
8 regulations—

9 (A) such plan furnishes each participant or
10 beneficiary, including participants described in
11 subparagraph (B), a one-time initial notice on
12 paper in written form, prior to the electronic
13 delivery of any pension benefit statement, of
14 their right to request that all documents re-
15 quired to be disclosed under title I of the Em-
16 ployee Retirement Income Security Act of 1974
17 be furnished on paper in written form; and

18 (B) such plan furnishes each participant
19 who is separated from service with at least 1
20 pension benefit statement on paper in written
21 form for each calendar year, unless, on election
22 of the participant, the participant receives such
23 statements electronically.

24 (2) OTHER GUIDANCE.—In implementing the
25 amendment made by subsection (a) with respect to

1 a plan that discloses required documents or state-
2 ments electronically, in accordance with applicable
3 guidance governing electronic disclosure by the De-
4 partment of Labor (with the exception of section
5 2520.104b–1(c) of title 29, Code of Federal Regula-
6 tions), the Secretary of Labor shall, not later than
7 December 31, 2022, update such guidance to the ex-
8 tent necessary to ensure that—

9 (A) a participant or beneficiary under such
10 a plan is permitted the opportunity to request
11 that any disclosure required to be delivered on
12 paper under applicable guidance by the Depart-
13 ment of Labor shall be furnished by electronic
14 delivery;

15 (B) each paper statement furnished under
16 such a plan pursuant to the amendment shall
17 include—

18 (i) an explanation of how to request
19 that all such statements, and any other
20 document required to be disclosed under
21 title I of the Employee Retirement Income
22 Security Act of 1974, be furnished by elec-
23 tronic delivery; and

24 (ii) contact information for the plan
25 sponsor, including a telephone number;

1 (C) the plan may not charge any fee to a
2 participant or beneficiary for the delivery of any
3 paper statements;

4 (D) each paper pension benefit statement
5 shall identify each plan document required to be
6 disclosed and shall include information about
7 how a participant or beneficiary may access
8 each such document;

9 (E) each document required to be disclosed
10 that is furnished by electronic delivery under
11 such a plan shall include an explanation of how
12 to request that all such documents be furnished
13 on paper in written form; and

14 (F) a plan is permitted to furnish a dupli-
15 cate electronic statement in any case in which
16 the plan furnishes a paper pension benefit
17 statement.

18 (c) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply with respect to plan years begin-
20 ning after December 31, 2023.

1 **SEC. 436. SEPARATE APPLICATION OF TOP HEAVY RULES**
2 **TO DEFINED CONTRIBUTION PLANS COV-**
3 **ERING EXCLUDIBLE EMPLOYEES.**

4 (a) IN GENERAL.—Section 416(c)(2) of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following:

7 “(C) SEPARATE APPLICATION TO EMPLOY-
8 EES NOT MEETING AGE AND SERVICE REQUIRE-
9 MENTS.—If employees not meeting the age or
10 service requirements of section 410(a)(1) (with-
11 out regard to subparagraph (B) thereof) are
12 covered under a plan of the employer which
13 meets the requirements of subparagraphs (A)
14 and (B) separately with respect to such employ-
15 ees, such employees may be excluded from con-
16 sideration in determining whether any plan of
17 the employer meets the requirements of sub-
18 paragraphs (A) and (B).”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to plan years beginning after
21 the date of the enactment of this Act.

22 **SEC. 437. REPAYMENT OF QUALIFIED BIRTH OR ADOPTION**
23 **DISTRIBUTION LIMITED TO 3 YEARS.**

24 (a) IN GENERAL.—Section 72(t)(2)(H)(v)(I) of the
25 Internal Revenue Code of 1986 is amended by striking
26 “may make” and inserting “may, at any time during the

1 3-year period beginning on the day after the date on which
2 such distribution was received, make”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall take effect as if included in the enact-
5 ment of section 113 of the Setting Every Community Up
6 for Retirement Enhancement Act of 2019.

7 **SEC. 438. EMPLOYER MAY RELY ON EMPLOYEE CERTI-**
8 **FYING THAT DEEMED HARDSHIP DISTRIBUTU-**
9 **TION CONDITIONS ARE MET.**

10 (a) CASH OR DEFERRED ARRANGEMENTS.—Section
11 401(k)(14) of the Internal Revenue Code of 1986 is
12 amended by adding at the end the following new subpara-
13 graph:

14 “(C) EMPLOYEE CERTIFICATION.—In de-
15 termining whether a distribution is upon the
16 hardship of an employee, the administrator of
17 the plan may rely on a certification by the em-
18 ployee that the distribution is on account of a
19 financial need of a type that is deemed in regu-
20 lations prescribed by the Secretary to be an im-
21 mediate and heavy financial need and that such
22 distribution is not in excess of the amount re-
23 quired to satisfy such financial need.”.

24 (b) 403(b) PLANS.—

1 (1) CUSTODIAL ACCOUNTS.—Section 403(b)(7)
2 of such Code is amended by adding at the end the
3 following new subparagraph:

4 “(D) EMPLOYEE CERTIFICATION.—In de-
5 termining whether a distribution is upon the fi-
6 nancial hardship of an employee, the adminis-
7 trator of the plan may rely on a certification by
8 the employee that the distribution is on account
9 of a financial need of a type that is deemed in
10 regulations prescribed by the Secretary to be an
11 immediate and heavy financial need and that
12 such distribution is not in excess of the amount
13 required to satisfy such financial need.”.

14 (2) ANNUITY CONTRACTS.—Section 403(b)(11)
15 of such Code is amended by adding at the end the
16 following: “In determining whether a distribution is
17 upon hardship of an employee, the administrator of
18 the plan may rely on a certification by the employee
19 that the distribution is on account of a financial
20 need of a type that is deemed in regulations pre-
21 scribed by the Secretary to be an immediate and
22 heavy financial need and that such distribution is
23 not in excess of the amount required to satisfy such
24 financial need.”.

1 (c) 457(B) PLAN.—Section 457(d) of such Code is
2 amended by adding at the end the following new para-
3 graph:

4 “(4) PARTICIPANT CERTIFICATION.—In deter-
5 mining whether a distribution to a participant is
6 made when the participant is faced with an unfore-
7 seeable emergency, the administrator of a plan
8 maintained by an eligible employer described in sub-
9 section (e)(1)(A) may rely on a certification by the
10 participant that the distribution is made when the
11 participant is faced with unforeseeable emergency of
12 a type that is described in regulations prescribed by
13 the Secretary as an unforeseeable emergency and
14 that the distribution is not in excess of the amount
15 reasonably necessary to satisfy the emergency
16 need.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to plan years beginning after De-
19 cember 31, 2022.

20 **SEC. 439. PENALTY-FREE WITHDRAWALS FROM RETIRE-**
21 **MENT PLANS FOR INDIVIDUALS IN CASE OF**
22 **DOMESTIC ABUSE.**

23 (a) IN GENERAL.—Section 72(t)(2) of the Internal
24 Revenue Code of 1986 is amended by adding at the end
25 the following new subparagraph:

1 “(I) DISTRIBUTIONS FROM RETIREMENT
2 PLANS IN CASE OF DOMESTIC ABUSE.—

3 “(i) IN GENERAL.—Any eligible dis-
4 tribution to a domestic abuse victim.

5 “(ii) LIMITATION.—The aggregate
6 amount which may be treated as an eligi-
7 ble distribution to a domestic abuse victim
8 by any individual shall not exceed an
9 amount equal to the lesser of—

10 “(I) \$10,000, or

11 “(II) 50 percent of the present
12 value of the nonforfeitable accrued
13 benefit of the employee under the
14 plan.

15 “(iii) ELIGIBLE DISTRIBUTION TO A
16 DOMESTIC ABUSE VICTIM.—For purposes
17 of this subparagraph—

18 “(I) IN GENERAL.—A distribu-
19 tion shall be treated as an eligible dis-
20 tribution to a domestic abuse victim if
21 such distribution is from an applicable
22 eligible retirement plan to an indi-
23 vidual and made during the 1-year pe-
24 riod beginning on any date on which
25 the individual is a victim of domestic

1 abuse by a spouse or domestic part-
2 ner.

3 “(II) DOMESTIC ABUSE.—The
4 term ‘domestic abuse’ means physical,
5 psychological, sexual, emotional, or
6 economic abuse, including efforts to
7 control, isolate, humiliate, or intimi-
8 date the victim, or to undermine the
9 victim’s ability to reason independ-
10 ently, including by means of abuse of
11 the victim’s child or another family
12 member living in the household.

13 “(iv) TREATMENT OF PLAN DISTRIBUTI-
14 TIONS.—

15 “(I) IN GENERAL.—If a distribu-
16 tion to an individual would (without
17 regard to clause (ii)) be an eligible
18 distribution to a domestic abuse vic-
19 tim, a plan shall not be treated as
20 failing to meet any requirement of
21 this title merely because the plan
22 treats the distribution as an eligible
23 distribution to a domestic abuse vic-
24 tim, unless the aggregate amount of
25 such distributions from all plans

1 maintained by the employer (and any
2 member of any controlled group which
3 includes the employer) to such indi-
4 vidual exceeds the limitation under
5 clause (ii).

6 “(II) CONTROLLED GROUP.—For
7 purposes of subclause (I), the term
8 ‘controlled group’ means any group
9 treated as a single employer under
10 subsection (b), (c), (m), or (o) of sec-
11 tion 414.

12 “(V) AMOUNT DISTRIBUTED MAY BE
13 REPAID.—

14 “(I) IN GENERAL.—Any indi-
15 vidual who receives a distribution de-
16 scribed in clause (i) may, at any time
17 during the 3-year period beginning on
18 the day after the date on which such
19 distribution was received, make one or
20 more contributions in an aggregate
21 amount not to exceed the amount of
22 such distribution to an applicable eli-
23 gible retirement plan of which such
24 individual is a beneficiary and to
25 which a rollover contribution of such

1 distribution could be made under sec-
2 tion 402(c), 403(a)(4), 403(b)(8),
3 408(d)(3), or 457(e)(16), as the case
4 may be.

5 “(II) LIMITATION ON CONTRIBU-
6 TIONS TO APPLICABLE ELIGIBLE RE-
7 TIREMENT PLANS OTHER THAN
8 IRAS.—The aggregate amount of con-
9 tributions made by an individual
10 under subclause (I) to any applicable
11 eligible retirement plan which is not
12 an individual retirement plan shall not
13 exceed the aggregate amount of eligi-
14 ble distributions to a domestic abuse
15 victim which are made from such plan
16 to such individual. Subclause (I) shall
17 not apply to contributions to any ap-
18 plicable eligible retirement plan which
19 is not an individual retirement plan
20 unless the individual is eligible to
21 make contributions (other than those
22 described in subclause (I)) to such ap-
23 plicable eligible retirement plan.

24 “(III) TREATMENT OF REPAY-
25 MENTS OF DISTRIBUTIONS FROM AP-

1 APPLICABLE ELIGIBLE RETIREMENT
2 PLANS OTHER THAN IRAS.—If a con-
3 tribution is made under subclause (I)
4 with respect to an eligible distribution
5 to a domestic abuse victim from an
6 applicable eligible retirement plan
7 other than an individual retirement
8 plan, then the taxpayer shall, to the
9 extent of the amount of the contribu-
10 tion, be treated as having received
11 such distribution in an eligible rollover
12 distribution (as defined in section
13 402(c)(4)) and as having transferred
14 the amount to the applicable eligible
15 retirement plan in a direct trustee to
16 trustee transfer within 60 days of the
17 distribution.

18 “(IV) TREATMENT OF REPAY-
19 MENTS FOR DISTRIBUTIONS FROM
20 IRAS.—If a contribution is made
21 under subclause (I) with respect to an
22 eligible distribution to a domestic
23 abuse victim from an individual retire-
24 ment plan, then, to the extent of the
25 amount of the contribution, such dis-

1 tribution shall be treated as a dis-
2 tribution described in section
3 408(d)(3) and as having been trans-
4 ferred to the applicable eligible retire-
5 ment plan in a direct trustee to trust-
6 ee transfer within 60 days of the dis-
7 tribution.

8 “(vi) DEFINITION AND SPECIAL
9 RULES.—For purposes of this subpara-
10 graph:

11 “(I) APPLICABLE ELIGIBLE RE-
12 TIREMENT PLAN.—The term ‘applica-
13 ble eligible retirement plan’ means an
14 eligible retirement plan (as defined in
15 section 402(c)(8)(B)) other than a de-
16 fined benefit plan.

17 “(II) EXEMPTION OF DISTRIBU-
18 TIONS FROM TRUSTEE TO TRUSTEE
19 TRANSFER AND WITHHOLDING
20 RULES.—For purposes of sections
21 401(a)(31), 402(f), and 3405, an eli-
22 gible distribution to a domestic abuse
23 victim shall not be treated as an eligi-
24 ble rollover distribution.

1 “(III) DISTRIBUTIONS TREATED
 2 AS MEETING PLAN DISTRIBUTION RE-
 3 QUIREMENTS; SELF-CERTIFICATION.—

4 Any distribution which the employee
 5 or participant certifies as being an eli-
 6 gible distribution to a domestic abuse
 7 victim shall be treated as meeting the
 8 requirements of sections
 9 401(k)(2)(B)(i), 403(b)(7)(A)(i),
 10 403(b)(11), and 457(d)(1)(A).”.

11 (b) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to distributions made after the
 13 date of the enactment of this Act.

14 **SEC. 440. REFORM OF FAMILY ATTRIBUTION RULES.**

15 (a) CONTROLLED GROUPS.—Section 414(b) of the
 16 Internal Revenue Code of 1986 is amended—

17 (1) by striking “For purposes of” and inserting
 18 the following:

19 “(1) IN GENERAL.—For purposes of”, and

20 (2) by adding at the end the following new
 21 paragraphs:

22 “(2) SPECIAL RULES FOR APPLYING FAMILY
 23 ATTRIBUTION.—For purposes of applying the attri-
 24 bution rules under section 1563 with respect to
 25 paragraph (1), the following rules apply:

1 “(A) Community property laws shall be
2 disregarded for purposes of determining owner-
3 ship.

4 “(B) Except as provided by the Secretary,
5 stock of an individual not attributed under sec-
6 tion 1563(e)(5) to such individual’s spouse shall
7 not be attributed to such spouse by reason of
8 section 1563(e)(6)(A).

9 “(C) Except as provided by the Secretary,
10 in the case of stock in different corporations
11 that is attributed to a child under section
12 1563(e)(6)(A) from each parent, and is not at-
13 tributed to such parents as spouses under sec-
14 tion 1563(e)(5), such attribution to the child
15 shall not by itself result in such corporations
16 being members of the same controlled group.

17 “(3) PLAN SHALL NOT FAIL TO BE TREATED AS
18 SATISFYING THIS SECTION.—If the application of
19 paragraph (2) causes two or more entities to be a
20 controlled group, or to no longer be in a controlled
21 group, such change shall be treated as a transaction
22 to which section 410(b)(6)(C) applies.”.

23 (b) AFFILIATED SERVICE GROUPS.—Section
24 414(m)(6)(B) of such Code is amended—

1 (1) by striking “OWNERSHIP.—In determining”
2 and inserting the following: “OWNERSHIP.—

3 “(i) IN GENERAL.—In determining”;
4 and

5 (2) by adding at the end the following new
6 clauses:

7 “(ii) SPECIAL RULES FOR APPLYING
8 FAMILY ATTRIBUTION.—For purposes of
9 applying the attribution rules under section
10 318 with respect to clause (i), the following
11 rules apply:

12 “(I) Community property laws
13 shall be disregarded for purposes of
14 determining ownership.

15 “(II) Except as provided by the
16 Secretary, stock of an individual not
17 attributed under section
18 318(a)(1)(A)(i) to such individual’s
19 spouse shall not be attributed by rea-
20 son of section 318(a)(1)(A)(ii) to such
21 spouse from a child who has not at-
22 tained the age of 21 years.

23 “(III) Except as provided by the
24 Secretary, in the case of stock in dif-
25 ferent corporations that is attributed

1 under section 318(a)(1)(A)(ii) to a
2 child who has not attained the age of
3 21 years from each parent, and is not
4 attributed to such parents as spouses
5 under section 318(a)(1)(A)(i), such
6 attribution to the child shall not by
7 itself result in such corporations being
8 members of the same affiliated service
9 group.

10 “(iii) PLAN SHALL NOT FAIL TO BE
11 TREATED AS SATISFYING THIS SECTION.—
12 If the application of clause (ii) causes two
13 or more entities to be an affiliated service
14 group, or to no longer be in an affiliated
15 service group, such change shall be treated
16 as a transaction to which section
17 410(b)(6)(C) applies.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to plan years beginning on or after
20 the date of the enactment of this Act.

1 **SEC. 441. AMENDMENTS TO INCREASE BENEFIT ACCRUALS**
2 **UNDER PLAN FOR PREVIOUS PLAN YEAR AL-**
3 **LOWED UNTIL EMPLOYER TAX RETURN DUE**
4 **DATE.**

5 (a) IN GENERAL.—Section 401(b) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new paragraph:

8 “(3) RETROACTIVE PLAN AMENDMENTS THAT
9 INCREASE BENEFIT ACCRUALS.—If—

10 “(A) an employer amends a stock bonus,
11 pension, profit-sharing, or annuity plan to in-
12 crease benefits accrued under the plan effective
13 for the preceding plan year (other than increas-
14 ing the amount of matching contributions (as
15 defined in subsection (m)(4)(A))),

16 “(B) such amendment would not otherwise
17 cause the plan to fail to meet any of the re-
18 quirements of this subchapter, and

19 “(C) such amendment is adopted before
20 the time prescribed by law for filing the return
21 of the employer for a taxable year (including
22 extensions thereof) during which such amend-
23 ment is effective,

24 the employer may elect to treat such amendment as
25 having been adopted as of the last day of the plan
26 year in which the amendment is effective.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to plan years beginning after De-
3 cember 31, 2023.

4 **SEC. 442. RETROACTIVE FIRST YEAR ELECTIVE DEFER-**
5 **RAIS FOR SOLE PROPRIETORS.**

6 (a) IN GENERAL.—Section 401(b)(2) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following: “In the case of an individual who owns the
9 entire interest in an unincorporated trade or business, and
10 who is the only employee of such trade or business, any
11 elective deferrals (as defined in section 402(g)(3)) under
12 a qualified cash or deferred arrangement to which the pre-
13 ceding sentence applies, which are made by such individual
14 before the time for filing the return of such individual for
15 the taxable year (determined without regard to any exten-
16 sions) ending after or with the end of the plan’s first plan
17 year, shall be treated as having been made before the end
18 of such first plan year.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to plan years beginning after the
21 date of the enactment of this Act.

1 **SEC. 443. LIMITING CESSATION OF IRA TREATMENT TO**
 2 **PORTION OF ACCOUNT INVOLVED IN A PRO-**
 3 **HIBITED TRANSACTION.**

4 (a) IN GENERAL.—Section 408(e)(2)(A) of the Inter-
 5 nal Revenue Code of 1986 is amended by striking “such
 6 account ceases to be an individual retirement account”
 7 and inserting the following: “the amount involved (as de-
 8 fined in section 4975(f)(4)) in such transaction shall be
 9 treated as distributed to the individual”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 408(e)(2)(B) of such Code is
 12 amended to read as follows:

13 “(B) ACCOUNT TREATED AS DISTRIBUTING
 14 PORTION OF ASSETS USED IN PROHIBITED
 15 TRANSACTION.—In any case in which a portion
 16 of an individual retirement account is treated as
 17 distributed under subparagraph (A) as of the
 18 first day of any taxable year, paragraph (1) of
 19 subsection (d) applies as if there were a dis-
 20 tribution on such first day in an amount equal
 21 to the fair market value of such portion, deter-
 22 mined as of the date on which the transaction
 23 prohibited by section 4975 occurs.”.

24 (A) by striking “ALL ITS ASSETS.—In any
 25 case” and all that follows through “by reason
 26 of subparagraph (A)” and inserting the fol-

1 lowing: “PORTION OF ASSETS USED IN PROHIB-
 2 ITED TRANSACTION.—In any case in which a
 3 portion of an individual retirement account is
 4 treated as distributed under subparagraph
 5 (A)”; and

6 (B) by striking “all assets in the account”
 7 and inserting “such portion”.

8 (2) Section 4975(c)(3) of such Code is amended
 9 by striking “the account ceases” and all that follows
 10 and inserting the following: “the portion of the ac-
 11 count used in the transaction is treated as distrib-
 12 uted under paragraph (2)(A) or (4) of section
 13 408(e).”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to taxable years beginning after
 16 the date of the enactment of this Act.

17 **SEC. 444. REVIEW OF PENSION RISK TRANSFER INTERPRE-**
 18 **TIVE BULLETIN.**

19 Not later than 1 year after the date of enactment
 20 of this Act, the Secretary of Labor shall—

21 (1) review section 2509.95–1 of title 29, Code
 22 of Federal Regulations (relating to the fiduciary
 23 standards under the Employee Retirement Income
 24 Security Act of 1974 when selecting an annuity pro-
 25 vider for a defined benefit pension plan) to deter-

1 mine whether amendments to such section are war-
 2 ranted; and

3 (2) report to Congress on the findings of such
 4 review, including an assessment of any risk to par-
 5 ticipants.

6 **SEC. 445. AMENDMENTS RELATING TO SETTING EVERY**
 7 **COMMUNITY UP FOR RETIREMENT ENHANCE-**
 8 **MENT ACT OF 2019.**

9 (a) TECHNICAL AMENDMENTS.—

10 (1) AMENDMENTS RELATING TO SECTION
 11 103.—

12 (A) Section 401(k)(12)(G) of the Internal
 13 Revenue Code of 1986 is amended by striking
 14 “the requirements under subparagraph (A)(i)”
 15 and inserting “the contribution requirements
 16 under subparagraph (B) or (C)”.

17 (B) Section 401(k)(13)(D)(iv) of such
 18 Code is amended by striking “and (F)” and in-
 19 serting “and (G)”.

20 (C) Section 401(m)(12) of such Code is
 21 amended by striking “and” at the end of sub-
 22 paragraph (A), by redesignating subparagraph
 23 (B) as subparagraph (C), and by inserting after
 24 subparagraph (A) (as so amended) the fol-
 25 lowing new subparagraph:

1 “(B) meets the notice requirements of sub-
2 section (k)(13)(E), and”.

3 (2) AMENDMENT RELATING TO SECTION 112.—
4 Section 401(k)(15)(B)(i)(II) of such Code is amend-
5 ed by striking “subsection (m)(2)” and inserting
6 “paragraphs (2), (11), and (12) of subsection (m)”.

7 (3) AMENDMENT RELATING TO SECTION 114.—
8 Section 401(a)(9)(C)(iii) of such Code is amended
9 by striking “employee to whom clause (i)(II) ap-
10 plies” and inserting “employee (other than an em-
11 ployee to whom clause (i)(II) does not apply by rea-
12 son of clause (ii))”.

13 (4) AMENDMENT RELATING TO SECTION 116.—
14 Section 4973(b) of such Code is amended by adding
15 at the end of the flush matter the following: “Such
16 term shall not include any designated nondeductible
17 contribution (as defined in subparagraph (C) of sec-
18 tion 408(o)(2)) which does not exceed the non-
19 deductible limit under subparagraph (B) thereof by
20 reason of an election under section 408(o)(5).”.

21 (5) EFFECTIVE DATE.—The amendments made
22 by this subsection shall take effect as if included in
23 the section of the Setting Every Community Up for
24 Retirement Enhancement Act of 2019 to which the
25 amendment relates.

1 (b) CLERICAL AMENDMENTS.—

2 (1) Section 408(o)(5)(A) of such Code is
3 amended by striking “subsection (b)” and inserting
4 “section 219(b)”.

5 (2) Section 72(t)(2)(H)(vi)(IV) of such Code is
6 amended by striking “403(b)(7)(A)(ii)” and insert-
7 ing “ 403(b)(7)(A)(i)”.

8 **SEC. 446. PROVISIONS RELATING TO PLAN AMENDMENTS.**

9 (a) IN GENERAL.—If this section applies to any re-
10 tirement plan or contract amendment—

11 (1) such retirement plan or contract shall be
12 treated as being operated in accordance with the
13 terms of the plan during the period described in sub-
14 section (b)(2)(A); and

15 (2) except as provided by the Secretary of the
16 Treasury (or the Secretary’s delegate), such retire-
17 ment plan shall not fail to meet the requirements of
18 section 411(d)(6) of the Internal Revenue Code of
19 1986 and section 204(g) of the Employee Retire-
20 ment Income Security Act of 1974 by reason of such
21 amendment.

22 (b) AMENDMENTS TO WHICH SECTION APPLIES.—

23 (1) IN GENERAL.—This section shall apply to
24 any amendment to any retirement plan or annuity
25 contract which is made—

1 (A) pursuant to any amendment made by
2 this Act or pursuant to any regulation issued by
3 the Secretary of the Treasury or the Secretary
4 of Labor (or a delegate of either such Sec-
5 retary) under this Act; and

6 (B) on or before the last day of the first
7 plan year beginning on or after January 1,
8 2024, or such later date as the Secretary of the
9 Treasury may prescribe.

10 In the case of a governmental plan (as defined in
11 section 414(d) of the Internal Revenue Code of
12 1986), or an applicable collectively bargained plan,
13 this paragraph shall be applied by substituting
14 “2026” for “2024”. For purposes of the preceding
15 sentence, the term “applicable collectively bargained
16 plan” means a plan maintained pursuant to 1 or
17 more collective bargaining agreements between em-
18 ployee representatives and 1 or more employers rati-
19 fied before the date of enactment of this Act.

20 (2) CONDITIONS.—This section shall not apply
21 to any amendment unless—

22 (A) during the period—

23 (i) beginning on the date the legisla-
24 tive or regulatory amendment described in
25 paragraph (1)(A) takes effect (or in the

1 case of a plan or contract amendment not
2 required by such legislative or regulatory
3 amendment, the effective date specified by
4 the plan); and

5 (ii) ending on the date described in
6 paragraph (1)(B) (as modified by the sec-
7 ond sentence of paragraph (1)) (or, if ear-
8 lier, the date the plan or contract amend-
9 ment is adopted),

10 the plan or contract is operated as if such plan
11 or contract amendment were in effect; and

12 (B) such plan or contract amendment ap-
13 plies retroactively for such period.

14 (c) COORDINATION WITH OTHER PROVISIONS RE-
15 LATING TO PLAN AMENDMENTS.—

16 (1) SECURE ACT.—Section 601(b)(1) of the
17 Setting Every Community Up for Retirement En-
18 hancement Act of 2019 is amended—

19 (A) by striking “January 1, 2022” in sub-
20 paragraph (B) and inserting “January 1,
21 2024”, and

22 (B) by striking “substituting ‘2024’ for
23 ‘2022’.” in the flush matter at the end and in-
24 serting “substituting ‘2026’ for ‘2024’.”.

25 (2) CARES ACT.—

1 (A) SPECIAL RULES FOR USE OF RETIRE-
2 MENT FUNDS.—Section 2202(c)(2)(A) of the
3 CARES Act is amended by striking “January
4 1, 2022” in clause (ii) and inserting “January
5 1, 2024”.

6 (B) TEMPORARY WAIVER OF REQUIRED
7 MINIMUM DISTRIBUTIONS RULES FOR CERTAIN
8 RETIREMENT PLANS AND ACCOUNTS.—Section
9 2203(c)(2)(B)(i) of the CARES Act is amend-
10 ed—

11 (i) by striking “January 1, 2022” in
12 subclause (II) and inserting “January 1,
13 2024”, and

14 (ii) by striking “substituting ‘2024’
15 for ‘2022’.” in the flush matter at the end
16 and inserting “substituting ‘2026’ for
17 ‘2024’.”.

18 (C) TAXPAYER CERTAINTY AND DISASTER
19 TAX RELIEF ACT OF 2020.—Section
20 302(d)(2)(A) of the Taxpayer Certainty and
21 Disaster Tax Relief Act of 2020 is amended by
22 striking “January 1, 2022” in clause (ii) and
23 inserting “January 1, 2024”.

1 **SEC. 447. SIMPLE AND SEP ROTH IRAS.**

2 (a) IN GENERAL.—Section 408A of the Internal Rev-
3 enue Code of 1986 is amended by striking subsection (f).

4 (b) RULES RELATING TO SIMPLIFIED EMPLOYEE
5 PENSIONS.—

6 (1) CONTRIBUTIONS.—Section 402(h)(1) of
7 such Code is amended by striking “and” at the end
8 of subparagraph (A), by striking the period at the
9 end of subparagraph (B) and inserting “, and”, and
10 by adding at the end the following new subpara-
11 graph:

12 “(C) in the case of any contributions pur-
13 suant to a simplified employer pension which
14 are made to an individual retirement plan des-
15 ignated as a Roth IRA, such contribution shall
16 not be excludable from gross income.”.

17 (2) DISTRIBUTIONS.—Section 402(h)(3) of such
18 Code is amended by inserting “, or section 408A(d)
19 in the case of an individual retirement plan des-
20 ignated as a Roth IRA” before the period at the
21 end.

22 (3) ELECTION REQUIRED.—Section 408(k) of
23 such Code is amended by redesignating paragraphs
24 (7), (8), and (9) as paragraphs (8), (9), and (10),
25 respectively, and by inserting the after paragraph
26 (6) the following new paragraph:

1 “(7) ROTH CONTRIBUTION ELECTION.—An in-
2 dividual retirement plan which is designated as a
3 Roth IRA shall not be treated as a simplified em-
4 ployee pension under this subsection unless the em-
5 ployee elects for such plan to be so treated (at such
6 time and in such manner as the Secretary may pro-
7 vide).”.

8 (c) RULES RELATING TO SIMPLE RETIREMENT AC-
9 COUNTS.—

10 (1) ELECTION REQUIRED.—Section 408(p) of
11 such Code is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(11) ROTH CONTRIBUTION ELECTION.—An in-
14 dividual retirement plan which is designated as a
15 Roth IRA shall not be treated as a simple retirement
16 account under this subsection unless the employee
17 elects for such plan to be so treated (at such time
18 and in such manner as the Secretary may pro-
19 vide).”.

20 (2) ROLLOVERS.—Section 408A(e) of such
21 Code is amended by adding at the end the following
22 new paragraph:

23 “(3) SIMPLE RETIREMENT ACCOUNTS.—In the
24 case of any payment or distribution out of a simple
25 retirement account (as defined in section 408(p))

1 with respect to which an election has been made
 2 under section 408(p)(11) and to which 72(t)(6) ap-
 3 plies, the term ‘qualified rollover contribution’ shall
 4 not include any payment or distribution paid into an
 5 account other than another simple retirement ac-
 6 count (as so defined).”.

7 (d) COORDINATION WITH ROTH CONTRIBUTION LIM-
 8 ITATION.—Section 408A(c) of such Code is amended by
 9 adding at the end the following new paragraph:

10 “(7) COORDINATION WITH LIMITATION FOR
 11 SIMPLE RETIREMENT PLANS AND SEPS.—In the case
 12 of an individual on whose behalf contributions are
 13 made to a simple retirement account or a simplified
 14 employee pension, the amount described in para-
 15 graph (2)(A) shall be increased by an amount equal
 16 to the contributions made on the individual’s behalf
 17 to such account or pension for the taxable year, but
 18 only to the extent such contributions—

19 “(A) in the case of a simplified retirement
 20 account—

21 “(i) do not exceed the sum of the dol-
 22 lar amount in effect for the taxable year
 23 under section 408(p)(2)(A)(ii) and the em-
 24 ployer contribution required under sub-

1 paragraph (A)(iii) or (B)(i), as the case
 2 may be, of section 408(p)(2), and

3 “(ii) do not cause the elective defer-
 4 rals (as defined in section 402(g)(3)) on
 5 behalf of such individual to exceed the lim-
 6 itation under section 402(g)(1) (taking
 7 into account any additional elective defer-
 8 rals permitted under section 414(v)), or

9 “(B) in the case of a simplified employee
 10 pension, do not exceed the limitation in effect
 11 under section 408(j).”.

12 (e) CONFORMING AMENDMENT.—Section
 13 408A(d)(2)(B) of such Code is amended by inserting “,
 14 or employer in the case of a simple retirement account
 15 (as defined in section 408(p)) or simplified employee pen-
 16 sion (as defined in section 408(k)),” after “individual’s
 17 spouse”.

18 (f) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years beginning after
 20 December 31, 2022.

21 **SEC. 448. HARDSHIP WITHDRAWAL RULES FOR 403(B)**
 22 **PLANS.**

23 (a) IN GENERAL.—Section 403(b) of the Internal
 24 Revenue Code of 1986, as amended by the preceding pro-

visions of this Act, is amended by adding at the end the following new paragraph:

“(16) SPECIAL RULES RELATING TO HARDSHIP WITHDRAWALS.—For purposes of paragraphs (7) and (11)—

“(A) AMOUNTS WHICH MAY BE WITHDRAWN.—The following amounts may be distributed upon hardship of the employee:

“(i) Contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(5)(D)).

“(ii) Qualified nonelective contributions (as defined in section 401(m)(4)(C)).

“(iii) Qualified matching contributions described in section 401(k)(3)(D)(ii)(I).

“(iv) Earnings on any contributions described in clause (i), (ii), or (iii).

“(B) NO REQUIREMENT TO TAKE AVAILABLE LOAN.—A distribution shall not be treated as failing to be made upon the hardship of an employee solely because the employee does not take any available loan under the plan.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 403(b)(7)(A)(i)(V) of such Code is amended by striking “in the case of contributions

1 made pursuant to a salary reduction agreement
 2 (within the meaning of section 3121(a)(5)(D))” and
 3 inserting “subject to the provisions of paragraph
 4 (16)”.

5 (2) Paragraph (11) of section 403(b) of such
 6 Code, as amended by the preceding provisions of this
 7 Act, is amended—

8 (A) by striking “in” in subparagraph (B)
 9 and inserting “subject to the provisions of para-
 10 graph (16), in”, and

11 (B) by striking the penultimate sentence.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to plan years beginning after De-
 14 cember 31, 2022.

15 **SEC. 449. ELECTIVE DEFERRALS GENERALLY LIMITED TO**
 16 **REGULAR CONTRIBUTION LIMIT.**

17 (a) APPLICABLE EMPLOYER PLANS.—Section
 18 414(v)(1) of the Internal Revenue Code of 1986 is amend-
 19 ed by adding at the end the following: “Except in the case
 20 of an applicable employer plan described in paragraph
 21 (6)(A)(iv), the preceding sentence shall only apply if con-
 22 tributions are designated Roth contributions (as defined
 23 in section 402A(c)(1)).”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 402(g)(1) of such Code is amended
2 by striking subparagraph (C).

3 (2) Section 457(e)(18)(A)(ii) of such Code is
4 amended by inserting “the lesser of any designated
5 Roth contributions made by the participant to the
6 plan or” before “the applicable dollar amount”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2022.

10 **SEC. 450. OPTIONAL TREATMENT OF EMPLOYER MATCHING**
11 **CONTRIBUTIONS AS ROTH CONTRIBUTIONS.**

12 (a) IN GENERAL.—Section 402A(a) of the Internal
13 Revenue Code of 1986 is amended by redesignating para-
14 graph (2) as paragraph (3), by striking “and” at the end
15 of paragraph (1), and by inserting after paragraph (1) the
16 following new paragraph:

17 “(2) any designated Roth contribution which is
18 made by the employer to the program on the em-
19 ployee’s behalf, and on account of the employee’s
20 contribution, elective deferral, or (subject to the re-
21 quirements of section 401(m)(13)) qualified student
22 loan payment, shall be treated as a matching con-
23 tribution for purposes of this chapter, except that
24 such contribution shall not be excludable from gross
25 income, and”.

1 (b) MATCHING INCLUDED IN QUALIFIED ROTH CON-
2 TRIBUTION PROGRAM.—Section 402A(b)(1) of such Code
3 is amended—

4 (1) by inserting “, or to have made on the em-
5 ployee’s behalf,” after “elect to make”, and

6 (2) by inserting “, or of matching contributions
7 which may otherwise be made on the employee’s be-
8 half,” after “otherwise eligible to make”.

9 (c) DESIGNATED ROTH MATCHING CONTRIBU-
10 TIONS.—Section 402A(c)(1) of such Code is amended by
11 inserting “or matching contribution” after “elective defer-
12 ral”.

13 (d) MATCHING CONTRIBUTION DEFINED.—Section
14 402A(e) of such Code is amended by adding at the end
15 the following:

16 “(3) MATCHING CONTRIBUTION.—The term
17 ‘matching contribution’ means—

18 “(A) any matching contribution described
19 in section 401(m)(4)(A), and

20 “(B) any contribution to an eligible de-
21 ferred compensation plan (as defined in section
22 457(b)) by an eligible employer described in
23 section 457(e)(1)(A) on behalf of an employee
24 and on account of such employee’s elective de-
25 ferral under such plan.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to contributions made after the
3 date of the enactment of this Act.

4 **TITLE V**

5 **SEC. 501. BOOTS TO BUSINESS PROGRAM.**

6 Section 32 of the Small Business Act (15 U.S.C.
7 657b) is amended by adding at the end the following:

8 “(h) BOOTS TO BUSINESS PROGRAM.—

9 “(1) COVERED INDIVIDUAL DEFINED.—In this
10 subsection, the term ‘covered individual’ means—

11 “(A) a member of the Armed Forces, in-
12 cluding the National Guard or Reserves;

13 “(B) an individual who is participating in
14 the Transition Assistance Program established
15 under section 1144 of title 10, United States
16 Code;

17 “(C) an individual who—

18 “(i) served on active duty in any
19 branch of the Armed Forces, including the
20 National Guard or Reserves; and

21 “(ii) was discharged or released from
22 such service under conditions other than
23 dishonorable; and

1 “(D) a spouse or dependent of an indi-
2 vidual described in subparagraph (A), (B), or
3 (C).

4 “(2) ESTABLISHMENT.—During the period be-
5 ginning on the date of enactment of this subsection
6 and ending on September 30, 2028, the Adminis-
7 trator shall carry out a program to be known as the
8 ‘Boots to Business Program’ to provide entrepre-
9 neurship training to covered individuals.

10 “(3) GOALS.—The goals of the Boots to Busi-
11 ness Program are to—

12 “(A) provide assistance and in-depth train-
13 ing to covered individuals interested in business
14 ownership; and

15 “(B) provide covered individuals with the
16 tools, skills, and knowledge necessary to identify
17 a business opportunity, draft a business plan,
18 identify sources of capital, connect with local
19 resources for small business concerns, and start
20 up a small business concern.

21 “(4) PROGRAM COMPONENTS.—

22 “(A) IN GENERAL.—The Boots to Busi-
23 ness Program may include—

24 “(i) a presentation providing exposure
25 to the considerations involved in self-em-

1 employment and ownership of a small busi-
2 ness concern;

3 “(ii) an online, self-study course fo-
4 cused on the basic skills of entrepreneur-
5 ship, the language of business, and the
6 considerations involved in self-employment
7 and ownership of a small business concern;

8 “(iii) an in-person classroom instruc-
9 tion component providing an introduction
10 to the foundations of self employment and
11 ownership of a small business concern; and

12 “(iv) in-depth training delivered
13 through online instruction, including an
14 online course that leads to the creation of
15 a business plan.

16 “(B) COLLABORATION.—The Adminis-
17 trator may—

18 “(i) collaborate with public and pri-
19 vate entities to develop course curricula for
20 the Boots to Business Program; and

21 “(ii) modify program components in
22 coordination with entities participating in a
23 Warriors in Transition program, as defined
24 in section 738(e) of the National Defense

1 Authorization Act for Fiscal Year 2013
2 (10 U.S.C. 1071 note).

3 “(C) USE OF RESOURCE PARTNERS AND
4 DISTRICT OFFICES.—

5 “(i) IN GENERAL.—The Administrator
6 shall—

7 “(I) ensure that Veteran Busi-
8 ness Outreach Centers regularly par-
9 ticipate, on a nationwide basis, in the
10 Boots to Business Program; and

11 “(II) to the maximum extent
12 practicable, use district offices of the
13 Administration and a variety of other
14 resource partners and entities in ad-
15 ministering the Boots to Business
16 Program.

17 “(ii) GRANT AUTHORITY.—In carrying
18 out clause (i), the Administrator may make
19 grants, subject to the availability of appro-
20 priations in advance, to Veteran Business
21 Outreach Centers, other resource partners,
22 or other entities to carry out components
23 of the Boots to Business Program.

24 “(D) AVAILABILITY TO DEPARTMENT OF
25 DEFENSE AND THE DEPARTMENT OF LABOR.—

1 The Administrator shall make available to the
2 Secretary of Defense and the Secretary of
3 Labor information regarding the Boots to Busi-
4 ness Program, including all course materials
5 and outreach materials related to the Boots to
6 Business Program, for inclusion on the websites
7 of the Department of Defense and the Depart-
8 ment of Labor relating to the Transition Assist-
9 ance Program, in the Transition Assistance
10 Program manual, and in other relevant mate-
11 rials available for distribution from the Sec-
12 retary of Defense and the Secretary of Labor.

13 “(E) AVAILABILITY TO DEPARTMENT OF
14 VETERANS AFFAIRS.—In consultation with the
15 Secretary of Veterans Affairs, the Adminis-
16 trator shall make available for distribution and
17 display on the website of the Department of
18 Veterans Affairs and at local facilities of the
19 Department of Veterans Affairs outreach mate-
20 rials regarding the Boots to Business Program,
21 which shall, at a minimum—

22 “(i) describe the Boots to Business
23 Program and the services provided; and

1 “(ii) include eligibility requirements
2 for participating in the Boots to Business
3 Program.

4 “(F) AVAILABILITY TO OTHER PARTICI-
5 PATING AGENCIES.—The Administrator shall
6 ensure information regarding the Boots to
7 Business program, including all course mate-
8 rials and outreach materials related to the
9 Boots to Business Program, is made available
10 to other participating agencies in the Transition
11 Assistance Program and upon request of other
12 agencies.

13 “(5) COMPETITIVE BIDDING PROCEDURES.—
14 The Administration shall use relevant competitive
15 bidding procedures with respect to any contract or
16 cooperative agreement executed by the Administra-
17 tion under the Boots to Business Program.

18 “(6) PUBLICATION OF NOTICE OF FUNDING OP-
19 PORTUNITY.—Not later than 30 days before the
20 deadline for submitting applications for any funding
21 opportunity under the Boots to Business Program,
22 the Administration shall publish a notice of the
23 funding opportunity.

24 “(7) REPORT.—Not later than 180 days after
25 the date of enactment of this subsection, and not

1 less frequently than annually thereafter, the Admin-
2 istrator shall submit to the Committee on Small
3 Business and Entrepreneurship of the Senate and
4 the Committee on Small Business of the House of
5 Representatives a report on the performance and ef-
6 fectiveness of the Boots to Business Program,
7 which—

8 “(A) may be included as part of another
9 report submitted to such committees by the Ad-
10 ministrator related to the Office of Veterans
11 Business Development; and

12 “(B) shall summarize available information
13 relating to—

14 “(i) grants awarded under paragraph
15 (4)(C);

16 “(ii) the total cost of the Boots to
17 Business Program;

18 “(iii) the number of program partici-
19 pants using each component of the Boots
20 to Business Program;

21 “(iv) the completion rates for each
22 component of the Boots to Business Pro-
23 gram;

24 “(v) to the extent possible—

1 “(I) the demographics of pro-
2 gram participants, to include gender,
3 age, race, ethnicity, and relationship
4 to military;

5 “(II) the number of program
6 participants that connect with a dis-
7 trict office of the Administration, a
8 Veteran Business Outreach Center, or
9 another resource partner of the Ad-
10 ministration;

11 “(III) the number of program
12 participants that start a small busi-
13 ness concern;

14 “(IV) the results of the Boots to
15 Business and Boots to Business
16 Reboot course quality surveys con-
17 ducted by the Office of Veterans Busi-
18 ness Development before and after at-
19 tending each of those courses, includ-
20 ing a summary of any comments re-
21 ceived from program participants;

22 “(V) the results of the Boots to
23 Business Program outcome surveys
24 conducted by the Office of Veterans
25 Business Development, including a

1 summary of any comments received
2 from program participants; and

3 “(VI) the results of other ger-
4 mane participant satisfaction surveys;

5 “(C) an evaluation of the overall effective-
6 ness of the Boots to Business Program based
7 on each geographic region covered by the Ad-
8 ministration during the most recent fiscal year;

9 “(D) an assessment of additional perform-
10 ance outcome measures for the Boots to Busi-
11 ness Program, as identified by the Adminis-
12 trator;

13 “(E) any recommendations of the Adminis-
14 trator for improvement of the Boots to Busi-
15 ness Program, which may include expansion of
16 the types of individuals who are covered individ-
17 uals;

18 “(F) an explanation of how the Boots to
19 Business Program has been integrated with
20 other transition programs and related resources
21 of the Administration and other Federal agen-
22 cies; and

23 “(G) any additional information the Ad-
24 ministrator determines necessary.”.

TITLE VI**SEC. 601. INCREASED PUNISHMENT FOR HUMAN TRAF-
FICKING IN SCHOOL ZONES.**

Section 1591 of title 18, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

“(e)(1) Whoever violates subsection (a) in a school zone, or on, or within 1,000 feet of, a premises on which a school-sponsored activity is taking place, or on, or within 1,000 feet of a premises owned by an institution of higher education, shall, in addition to the punishment otherwise provided under this section, be imprisoned for not more than 5 years.

“(2) In this subsection:

“(A) The term ‘school zone’ has the meaning given such term in section 921.

“(B) The term ‘school-sponsored activity’ means any activity that is produced, financed, arranged, supervised, or coordinated by a school or a State educational agency or local educational agency or is under the jurisdiction of a State educational agency or local educational agency.

1 “(C) The terms ‘State educational agency’ and
2 ‘local educational agency’ have the meanings given
3 those terms under section 8101 of the Elementary
4 and Secondary Education Act of 1965.

5 “(D) The term ‘institution of higher education’
6 has the meaning given such term in section 101 of
7 the Higher Education Act of 1965 (20 U.S.C.
8 1001).”.

9 **SEC. 602. INCREASED PUNISHMENT FOR COERCION AND**
10 **ENTICEMENT IN SCHOOL ZONES.**

11 Section 2422 of title 18, United States Code, is
12 amended—

13 (1) in subsection (b), by striking “individual
14 who has not attained the age of 18 years” and in-
15 serting “minor”; and

16 (2) by adding at the end the following:

17 “(c)(1) Whoever violates subsection (a) or (b) know-
18 ing, or having reasonable cause to believe, that the viola-
19 tion is committed against a minor who is enrolled in school
20 and is, at the time of the violation, in a school zone or
21 on, or within 1,000 feet of, a premises on which a school-
22 sponsored activity is taking place, or against a person who
23 is enrolled in an institution of higher education and is,
24 at the time of the violation on or within 1,000 feet of a
25 premises owned by the institution of higher education,

1 shall, in addition to the punishment otherwise provided
2 under this section, be imprisoned for not more than 5
3 years.

4 “(2) Paragraph (1) shall not apply in a case in which
5 a minor’s presence on, or within 1,000 feet of, the prem-
6 ises on which a school-sponsored activity is taking place
7 is not related to such school-sponsored activity, or the per-
8 son’s presence on or within 1,000 feet of the premises
9 owned by the institution of higher education is not related
10 to their enrollment at such institution.

11 “(d) In this section:

12 “(1) The term ‘minor’ means an individual who
13 has not attained 18 years of age.

14 “(2) The term ‘school’ means a public, paro-
15 chial, or private school that provides elementary or
16 secondary education.

17 “(3) The term ‘school zone’ has the meaning
18 given such term in section 921.

19 “(4) The term ‘school-sponsored activity’ means
20 any activity that is produced, financed, arranged, su-
21 pervised, or coordinated by a school or a State edu-
22 cational agency or local educational agency or is
23 under the jurisdiction of a State educational agency
24 or local educational agency.

1 “(5) The terms ‘State educational agency’ and
2 ‘local educational agency’ have the meanings given
3 those terms under section 8101 of the Elementary
4 and Secondary Education Act of 1965.

5 “(6) The term ‘institution of higher education’
6 has the meaning given such term in section 101 of
7 the Higher Education Act of 1965 (20 U.S.C.
8 1001).”.

9 **TITLE VII**

10 **SEC. 701. ESTABLISHMENT OF COMMISSION.**

11 (a) IN GENERAL.—There is established the Commis-
12 sion to Study the Potential Creation of a National Mu-
13 seum of Asian Pacific American History and Culture
14 (hereafter in this Act referred to as the “Commission”).

15 (b) MEMBERSHIP.—The Commission shall be com-
16 posed of 8 members, of whom—

17 (1) 2 members shall be appointed by the major-
18 ity leader of the Senate;

19 (2) 2 members shall be appointed by the Speak-
20 er of the House of Representatives;

21 (3) 2 members shall be appointed by the minor-
22 ity leader of the Senate; and

23 (4) 2 members shall be appointed by the minor-
24 ity leader of the House of Representatives.

1 (c) QUALIFICATIONS.—Members of the Commission
2 shall be appointed to the Commission from among individ-
3 uals, or representatives of institutions or entities, who pos-
4 sess—

5 (1)(A) a demonstrated commitment to the re-
6 search, study, or promotion of Asian Pacific Amer-
7 ican history, art, political or economic status, or cul-
8 ture; and

9 (B)(i) expertise in museum administration;

10 (ii) expertise in fundraising for nonprofit
11 or cultural institutions;

12 (iii) experience in the study and teaching
13 of Asian Pacific American history;

14 (iv) experience in studying the issue of the
15 representation of Asian Pacific Americans in
16 art, life, history, and culture at the Smithsonian
17 Institution; or

18 (v) extensive experience in public or elected
19 service;

20 (2) experience in the administration of, or the
21 planning for, the establishment of, museums; or

22 (3) experience in the planning, design, or con-
23 struction of museum facilities.

24 (d) DEADLINE FOR INITIAL APPOINTMENT.—The
25 initial members of the Commission shall be appointed not

1 later than the date that is 90 days after the date of enact-
2 ment of this Act.

3 (e) VACANCIES.—A vacancy in the Commission—

4 (1) shall not affect the powers of the Commis-
5 sion; and

6 (2) shall be filled in the same manner as the
7 original appointment was made.

8 (f) CHAIRPERSON.—The Commission shall, by major-
9 ity vote of all of the members, select 1 member of the
10 Commission to serve as the Chairperson of the Commis-
11 sion.

12 (g) PROHIBITION.—No employee of the Federal Gov-
13 ernment may serve as a member of the Commission.

14 **SEC. 702. DUTIES OF THE COMMISSION.**

15 (a) REPORTS.—

16 (1) PLAN OF ACTION.—The Commission shall
17 submit to the President and Congress a report con-
18 taining the recommendations of the Commission
19 with respect to a plan of action regarding the feasi-
20 bility of establishing and maintaining a National
21 Museum of Asian Pacific American History and Cul-
22 ture in Washington, DC, and its environs (hereafter
23 in this Act referred to as the “Museum”).

1 (2) REPORT ON ISSUES.—The Commission shall
2 submit to the President and Congress a report that
3 addresses the following issues:

4 (A) The availability and cost of collections
5 to be acquired and housed in the Museum.

6 (B) The impact of the Museum on existing
7 Asian Pacific American history-related muse-
8 ums.

9 (C) In consultation with the Smithsonian
10 Institution, develop criteria for evaluating pos-
11 sible locations for the Museum in Washington,
12 DC, and its environs.

13 (D) The feasibility of the Museum becom-
14 ing part of the Smithsonian Institution, taking
15 into account the Museum's potential impact on
16 the Smithsonian's existing facilities mainte-
17 nance backlog, collections storage needs, and
18 identified construction or renovation costs for
19 new or existing museums.

20 (E) The governance and organizational
21 structure from which the Museum should oper-
22 ate.

23 (F) Best practices for engaging Asian Pa-
24 cific Americans in the development and design
25 of the Museum.

1 (G) The cost of constructing, operating,
2 and maintaining the Museum.

3 (3) DEADLINE.—The reports required under
4 paragraphs (1) and (2) shall be submitted not later
5 than the date that is 18 months after the date of
6 the first meeting of the Commission.

7 (b) FUNDRAISING PLAN.—

8 (1) IN GENERAL.—The Commission shall de-
9 velop a fundraising plan that will address the ability
10 to support the establishment, operation, and mainte-
11 nance of the Museum through contributions from
12 the public.

13 (2) CONSIDERATIONS.—In developing the fund-
14 raising plan under paragraph (1), the Commission
15 shall consider issues relating to funding the oper-
16 ations and maintenance of the Museum in perpetuity
17 without reliance on appropriations of Federal funds.

18 (3) INDEPENDENT REVIEW.—The Commission
19 shall obtain an independent review of the viability of
20 the plan developed under paragraph (1) and such re-
21 view shall include an analysis as to whether the plan
22 is able to achieve the level of resources necessary to
23 fund the construction of the Museum and the oper-
24 ations and maintenance of the Museum in perpetuity
25 without reliance on appropriations of Federal funds.

1 (4) SUBMISSION.—The Commission shall sub-
2 mit the plan developed under paragraph (1) and the
3 review conducted under paragraph (3) to the Com-
4 mittees on House Administration, Natural Re-
5 sources, and Appropriations of the House of Rep-
6 resentatives and the Committees on Rules and Ad-
7 ministration, Energy and Natural Resources, and
8 Appropriations of the Senate.

9 (c) LEGISLATION TO CARRY OUT PLAN OF AC-
10 TION.—Based on the recommendations contained in the
11 report submitted under paragraphs (1) and (2) of sub-
12 section (a), the Commission shall submit for consideration
13 to the Committees on House Administration, Natural Re-
14 sources, and Appropriations of the House of Representa-
15 tives and the Committees on Rules and Administration,
16 Energy and Natural Resources, and Appropriations of the
17 Senate recommendations for a legislative plan of action
18 on the feasibility of establishing and constructing the Mu-
19 seum.

20 (d) NATIONAL CONFERENCE.—Not later than 18
21 months after the date on which the initial members of the
22 Commission are appointed under section 2, the Commis-
23 sion may, in carrying out the duties of the Commission
24 under this section, convene a national conference relating
25 to the Museum, to be comprised of individuals committed

1 to the advancement of the life, art, history, and culture
2 of Asian Pacific Americans.

3 **SEC. 703. ADMINISTRATIVE PROVISIONS.**

4 (a) COMPENSATION.—

5 (1) IN GENERAL.—A member of the Commis-
6 sion—

7 (A) shall not be considered to be a Federal
8 employee for any purpose by reason of service
9 on the Commission; and

10 (B) shall serve without pay.

11 (2) TRAVEL EXPENSES.—A member of the
12 Commission shall be allowed a per diem allowance
13 for travel expenses, at rates consistent with those
14 authorized under subchapter I of chapter 57 of title
15 5, United States Code.

16 (3) GIFTS, BEQUESTS, AND DEVISES.—The
17 Commission may solicit, accept, use, and dispose of
18 gifts, bequests, or devises of money, services, or real
19 or personal property for the purpose of aiding or fa-
20 cilitating the work of the Commission.

21 (4) FEDERAL ADVISORY COMMITTEE ACT.—The
22 Commission shall not be subject to the Federal Advi-
23 sory Committee Act (5 U.S.C. App.).

24 (b) TERMINATION.—The Commission shall terminate
25 on the date that is 30 days after the date on which the

1 final versions of the reports required under section 3 are
2 submitted.

3 (c) FUNDING.—

4 (1) IN GENERAL.—The Commission shall be
5 solely responsible for acceptance of contributions for,
6 and payment of the expenses of, the Commission.

7 (2) PROHIBITION.—No Federal funds may be
8 obligated to carry out this Act.

9 (d) DIRECTOR AND STAFF OF COMMISSION.—

10 (1) DIRECTOR AND STAFF.—

11 (A) IN GENERAL.—The Commission may
12 employ and compensate an executive director
13 and any other additional personnel that are
14 necessary to enable the Commission to perform
15 the duties of the Commission.

16 (B) RATES OF PAY.—Rates of pay for per-
17 sons employed under subparagraph (A) shall be
18 consistent with the rates of pay allowed for em-
19 ployees of a temporary organization under sec-
20 tion 3161 of title 5, United States Code.

21 (2) NOT FEDERAL EMPLOYMENT.—Any indi-
22 vidual employed under this section shall not be con-
23 sidered a Federal employee for the purpose of any
24 law governing Federal employment.

25 (3) TECHNICAL ASSISTANCE.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), on request of the Commission, the
3 head of a Federal agency may provide technical
4 assistance to the Commission.

5 (B) PROHIBITION.—No Federal employees
6 may be detailed to the Commission.

7 **TITLE VIII**

8 **SEC. 801. SELECTUSA DEFINED.**

9 In this Act, the term “SelectUSA” means the
10 SelectUSA program of the Department of Commerce es-
11 tablished by Executive Order No. 13577 (76 Fed. Reg.
12 35,715).

13 **SEC. 802. FINDINGS.**

14 Congress makes the following findings:

15 (1) Semiconductors underpin the United States
16 and global economies, including manufacturing sec-
17 tors. Semiconductors are also essential to the na-
18 tional security of the United States.

19 (2) A shortage of semiconductors, brought
20 about by the COVID–19 pandemic and other com-
21 plex factors impacting the overall supply chain, has
22 threatened the economic recovery of the United
23 States and industries that employ millions of United
24 States citizens.

1 (3) Addressing current challenges and building
2 resilience against future risks requires ensuring a se-
3 cure and stable supply chain for semiconductors that
4 will support the economic and national security
5 needs of the United States and its allies.

6 (4) The supply chain for semiconductors is
7 complex and global. While the United States plays
8 a leading role in certain segments of the semicon-
9 ductor industry, securing the supply chain requires
10 onshoring, reshoring, or diversifying vulnerable seg-
11 ments, such as for—

12 (A) fabrication;

13 (B) advanced packaging; and

14 (C) materials and equipment used to man-
15 ufacture semiconductor products.

16 (5) The Federal Government can leverage for-
17 eign direct investment and private dollars to grow
18 the domestic manufacturing and production capacity
19 of the United States for vulnerable segments of the
20 semiconductor supply chain.

21 (6) The SelectUSA program of the Department
22 of Commerce, in coordination with other Federal
23 agencies and State-level economic development orga-
24 nizations, is positioned to boost foreign direct invest-

1 ment in domestic manufacturing and to help secure
2 the semiconductor supply chain of the United States.

3 **SEC. 803. COORDINATION WITH STATE-LEVEL ECONOMIC**
4 **DEVELOPMENT ORGANIZATIONS.**

5 Not later than 180 days after the date of the enact-
6 ment of this Act, the Executive Director of SelectUSA
7 shall solicit comments from State-level economic develop-
8 ment organizations—

9 (1) to review—

10 (A) what efforts the Federal Government
11 can take to support increased foreign direct in-
12 vestment in any segment of semiconductor-re-
13 lated production;

14 (B) what barriers to such investment may
15 exist and how to amplify State efforts to attract
16 such investment;

17 (C) public opportunities those organiza-
18 tions have identified to attract foreign direct in-
19 vestment to help increase investment described
20 in subparagraph (A);

21 (D) resource gaps or other challenges that
22 prevent those organizations from increasing
23 such investment; and

24 (2) to develop recommendations for—

1 (A) how SelectUSA can increase such in-
2 vestment independently or through partnership
3 with those organizations; and

4 (B) working with countries that are allies
5 or partners of the United States to ensure that
6 foreign adversaries (as defined in section
7 8(c)(2) of the Secure and Trusted Communica-
8 tions Networks Act of 2019 (47 U.S.C.
9 1607(c)(2))) do not benefit from United States
10 efforts to increase such investment.

11 **SEC. 804. REPORT ON INCREASING FOREIGN DIRECT IN-**
12 **VESTMENT IN SEMICONDUCTOR-RELATED**
13 **MANUFACTURING AND PRODUCTION.**

14 Not later than 2 years after the date of the enact-
15 ment of this Act, the Executive Director of SelectUSA,
16 in coordination with the Federal Interagency Investment
17 Working Group established by Executive Order No. 13577
18 (76 Fed. Reg. 35,715; relating to establishment of the
19 SelectUSA Initiative), shall submit to the Committee on
20 Commerce, Science, and Transportation of the Senate and
21 the Committee on Energy and Commerce of the House
22 of Representatives a report that includes—

23 (1) a review of the comments SelectUSA re-
24 ceived from State-level economic development organi-
25 zations under section 803;

1 (2) a description of activities SelectUSA is en-
 2 gaged in to increase foreign direct investment in
 3 semiconductor-related manufacturing and produc-
 4 tion; and

5 (3) an assessment of strategies SelectUSA may
 6 implement to achieve an increase in such investment
 7 and to help secure the United States supply chain
 8 for semiconductors, including by—

9 (A) working with other relevant Federal
 10 agencies; and

11 (B) working with State-level economic de-
 12 velopment organizations and implementing any
 13 strategies or recommendations SelectUSA re-
 14 ceived from those organizations.

15 **TITLE IX**

16 **SEC. 901. APPROVAL OF CERTAIN EQUIPMENT.**

17 (a) IN GENERAL.—Section 2008 of the Homeland
 18 Security Act of 2002 (6 U.S.C. 609) is amended—

19 (1) in subsection (f)—

20 (A) by striking “If an applicant” and in-
 21 serting the following:

22 “(1) APPLICATION REQUIREMENT.—If an appli-
 23 cant”; and

24 (B) by adding at the end the following new
 25 paragraphs:

1 “(2) REVIEW PROCESS.—The Administrator
2 shall implement a uniform process for reviewing ap-
3 plications that, in accordance with paragraph (1),
4 contain explanations to use grants provided under
5 section 2003 or 2004 to purchase equipment or sys-
6 tems that do not meet or exceed any applicable na-
7 tional voluntary consensus standards developed
8 under section 647 of the Post-Katrina Emergency
9 Management Reform Act of 2006 (6 U.S.C. 747).

10 “(3) FACTORS.—In carrying out the review
11 process under paragraph (2), the Administrator
12 shall consider the following:

13 “(A) Current or past use of proposed
14 equipment or systems by Federal agencies or
15 the Armed Forces.

16 “(B) The absence of a national voluntary
17 consensus standard for such equipment or sys-
18 tems.

19 “(C) The existence of an international con-
20 sensus standard for such equipment or systems,
21 and whether such equipment or systems meets
22 such standard.

23 “(D) The nature of the capability gap
24 identified by the applicant and how such equip-
25 ment or systems will address such gap.

1 “(E) The degree to which such equipment
2 or systems will serve the needs of the applicant
3 better than equipment or systems that meet or
4 exceed existing consensus standards.

5 “(F) Any other factor determined appro-
6 priate by the Administrator.”; and

7 (2) by adding at the end the following new sub-
8 section:

9 “(g) REVIEW PROCESS.—The Administrator shall
10 implement a uniform process for reviewing applications to
11 use grants provided under section 2003 or 2004 to pur-
12 chase equipment or systems not included on the Author-
13 ized Equipment List maintained by the Administrator.”.

14 (b) INSPECTOR GENERAL REPORT.—Not later than
15 three years after the date of the enactment of this Act,
16 the Inspector General of the Department of Homeland Se-
17 curity shall submit to the Committee on Homeland Secu-
18 rity of the House of Representatives and the Committee
19 on Homeland Security and Governmental Affairs of the
20 Senate a report assessing the implementation of the review
21 process established under paragraph (2) of subsection (f)
22 of section 2008 of the Homeland Security Act of 2002
23 (as added by subsection (a) of this section), including in-
24 formation on the following:

1 (1) The number of requests to purchase equip-
2 ment or systems that do not meet or exceed any ap-
3 plicable consensus standard evaluated under such re-
4 view process.

5 (2) The capability gaps identified by applicants
6 and the number of such requests granted or denied.

7 (3) The processing time for the review of such
8 requests.

9 **TITLE X**

10 **SEC. 1001. FINDINGS.**

11 Congress finds the following:

12 (1) NASA uses enhanced use leasing to enter
13 into agreements with private sector entities, State
14 and local governments, academic institutions, and
15 other Federal agencies for lease of non-excess, un-
16 derutilized NASA properties and facilities.

17 (2) NASA uses enhanced use leasing authority
18 to support responsible management of its real prop-
19 erty, including to improve the use of underutilized
20 property for activities that are compatible with
21 NASA's mission and to reduce facility operating and
22 maintenance costs.

23 (3) In fiscal year 2019, under its enhanced use
24 lease authority, NASA leased 65 real properties.

1 (4) In fiscal year 2019, NASA’s use of en-
 2 hanced use leasing resulted in the collection of
 3 \$10,843,025.77 in net revenue.

4 (5) In fiscal year 2019, NASA used a portion
 5 of its enhanced use leasing revenues for repairs of
 6 facility control systems such as lighting and heating,
 7 ventilation, and air conditioning.

8 (6) NASA’s use of enhanced use leasing author-
 9 ity can contribute to reducing the rate of increase of
 10 the Agency’s overall deferred maintenance cost.

11 **SEC. 1002. EXTENSION OF AUTHORITY TO ENTER INTO**
 12 **LEASES OF NON-EXCESS PROPERTY OF THE**
 13 **NATIONAL AERONAUTICS AND SPACE ADMIN-**
 14 **ISTRATION.**

15 Section 20145(g) of title 51, United States Code, is
 16 amended by striking “December 31, 2021” and inserting
 17 “December 31, 2031”.

18 **TITLE XI**

19 **SEC. 1101. HEARINGS.**

20 (a) IN GENERAL.—Each standing committee of the
 21 House of Representatives shall hold a hearing on the im-
 22 plementation of this Act within one year of enactment.

23 (b) EXERCISE OF RULEMAKING AUTHORITY.—Sub-
 24 section (a) is enacted—

1 (1) as an exercise of rulemaking power of the
2 House of Representatives, and, as such, shall be con-
3 sidered as part of the rules of the House, and such
4 rules shall supersede any other rule of the House
5 only to the extent that rule is inconsistent therewith;
6 and

7 (2) with full recognition of the constitutional
8 right of either House to change such rules (so far
9 as relating to the procedure in such House) at any
10 time, in the same manner, and to the same extent
11 as in the case of any other rule of the House.

12 **TITLE XII**

13 **SEC. 1201. CODE OF OFFICIAL CONDUCT.**

14 In rule XXIII of the Rules of the House of Rep-
15 resentatives, strike clause 21 and insert the following:

16 “21.(a) Except as provided in paragraphs (b) and (c),
17 a Member, Delegate, Resident Commissioner, officer, or
18 employee of the House shall not knowingly and willfully
19 disclose publicly the identity of, or personally identifiable
20 information about, any individual who has reported allega-
21 tions of possible wrongdoing, including retaliation, under
22 processes and protections provided by the Civil Service Re-
23 form Act of 1978, the Whistleblower Protection Act of
24 1989, the Intelligence Community Whistleblower Protec-
25 tion Act of 1998, or any other Federal law that establishes

1 the right for individuals to make protected disclosures to
2 Congress.

3 “(b) The limitation in paragraph (a) shall not apply
4 to any disclosure of an individual’s identity or personally
5 identifiable information if—

6 “(1) the individual has provided express written
7 consent prior to such disclosure;

8 “(2) the individual has already voluntarily and
9 publicly disclosed their identity; or

10 “(3) the disclosure is by the chair of a com-
11 mittee after an affirmative vote by two-thirds of the
12 members of the committee that such disclosure is in
13 the public interest.

14 “(c) Nothing in this clause shall prevent—

15 “(1) an investigation of any allegation of
16 wrongdoing disclosed by any individual; or

17 “(2) the public disclosure of substantive infor-
18 mation shared by any individual that is not person-
19 ally identifiable to that individual.

20 “(d) Disclosures made pursuant to paragraph (b)(3)
21 shall be subject to appropriate safeguards, including that
22 the individual be provided timely advance notice if possible
23 before their identity or any personally identifiable informa-
24 tion is disclosed prior to the vote described in paragraph
25 (b)(3), unless such information would jeopardize the re-

lated investigations. When providing such notice to the individual the committee chair shall send the individual a written explanation of the reasons for the disclosure.”.

TITLE XIII

SEC. 1301. STUDY ON FOREIGN PORTS.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Chairman of the Federal Maritime Commission shall seek to enter into an agreement with a federally funded research and development center to evaluate how foreign ownership of marine terminals at the 15 largest United States container ports affects or could affect United States economic security.

(b) CONTENTS.—In carrying out the study under subsection (a), the center selected under such subsection shall—

(1) consider—

(A) changes in ownership of the 15 largest United States container ports over the past 10 years as well as announced ownership changes from 2023 and 2024;

(B) instances of ownership in individual marine terminals and cumulative ownership by Chinese or Russian entities or nationals;

1 (C) instances of ownership in individual
2 marine terminals and cumulative ownership by
3 any foreign entity;

4 (D) the amount of—

5 (i) Port Infrastructure Development
6 Grant funds since fiscal year 2018 that
7 have gone to ports and marine terminals
8 that are owned wholly or partially foreign
9 owned; and

10 (ii) Port Security Grant funds since
11 fiscal year 2003 that have gone to ports
12 and marine terminals that are owned whol-
13 ly or partially foreign owned; and

14 (E) where ownership exists, a detailed de-
15 scription of foreign operational control includ-
16 ing both affirmative and negative control; and
17 (2) offer recommendations on—

18 (A) policies by ports and marine terminal
19 operators to prevent excessive foreign ownership
20 that could threaten United States economic se-
21 curity;

22 (B) whether ownership affords the foreign
23 owner access to operational technology and in-
24 formation unique to the United States and oth-
25 erwise unavailable; and

1 (C) whether foreign ownership has or could
2 affect the supply chain and policies related to
3 the prioritization of certain cargoes.

4 (c) REPORT.—Not later than 1 year after the initi-
5 ation of the evaluation under subsection (a), the Chairman
6 of the Federal Maritime Commission shall submit to the
7 Committee on Commerce, Science, and Transportation of
8 the Senate and the Committee on Transportation and In-
9 frastructure of the House of Representatives the results
10 of such evaluation.

11 **TITLE XIV**

12 **SEC. 1401. DETERMINATION OF BUDGETARY EFFECTS.**

13 The budgetary effects of this Act, for the purpose of
14 complying with the Statutory Pay-As-You-Go-Act of 2010,
15 shall be determined by reference to the latest statement
16 titled “Budgetary Effects of PAYGO Legislation” for this
17 Act, submitted for printing in the Congressional Record
18 by the Chairman of the House Budget Committee, pro-
19 vided that such statement has been submitted prior to the
20 vote on passage.

21 **TITLE XV**

22 **SEC. 1501. FREQUENCY OF BOARD OF DIRECTORS MEET-** 23 **INGS.**

24 Section 113 of the Federal Credit Union Act (12
25 U.S.C. 1761b) is amended—

1 (1) by striking “monthly” each place such term
2 appears;

3 (2) in the matter preceding paragraph (1), by
4 striking “The board of directors” and inserting the
5 following:

6 “(a) IN GENERAL.—The board of directors”;

7 (3) in subsection (a) (as so designated), by
8 striking “shall meet at least once a month and”; and

9 (4) by adding at the end the following:

10 “(b) MEETINGS.—The board of directors of a Federal
11 credit union shall meet as follows:

12 “(1) With respect to a de novo Federal credit
13 union, not less frequently than monthly during each
14 of the first five years of the existence of such Fed-
15 eral credit union.

16 “(2) Not less than six times annually, with at
17 least one meeting held during each fiscal quarter,
18 with respect to a Federal credit union—

19 “(A) with composite rating of either 1 or
20 2 under the Uniform Financial Institutions
21 Rating System (or an equivalent rating under a
22 comparable rating system); and

23 “(B) with a capability of management rat-
24 ing under such composite rating of either 1 or
25 2.

1 “(3) Not less frequently than once a month,
2 with respect to a Federal credit union—

3 “(A) with composite rating of either 3, 4,
4 or 5 under the Uniform Financial Institutions
5 Rating System (or an equivalent rating under a
6 comparable rating system); or

7 “(B) with a capability of management rat-
8 ing under such composite rating of either 3, 4,
9 or 5.”.

10 **TITLE XVI**

11 **SEC. 1601. APPROPRIATIONS.**

12 The following sums are hereby appropriated, out of
13 any money in the Treasury not otherwise appropriated,
14 for the fiscal year ending September 30, 2024, and for
15 other purposes, namely:

16 **DEPARTMENT OF HEALTH AND HUMAN** 17 **SERVICES**

18 **HEALTH RESOURCES AND SERVICES ADMINISTRATION**

19 **RURAL HEALTH**

20 For an additional amount for the Telehealth Re-
21 source Center of the Federal Office of Rural Health Policy
22 of the Office for the Advancement of Telehealth, to pro-
23 vide assistance with respect to technical, legal, regulatory
24 service delivery or other related barriers to the develop-
25 ment of telehealth technologies for skilled nursing facilities

1 (as defined in section 1819 of the Social Security Act) and
2 nursing facilities (as defined in section 1919 of such Act),
3 \$1,000,000 to remain available through September 30,
4 2025.

5 DEPARTMENT OF AGRICULTURE

6 EXECUTIVE OPERATIONS

7 OFFICE OF BUDGET AND PROGRAM ANALYSIS

8 For an additional amount for necessary expenses of
9 the Office of Budget and Program Analysis, \$1,000,000.

10 DEPARTMENT OF STATE

11 CAPITAL INVESTMENT FUND

12 For an additional amount for necessary expenses of
13 the Capital Investment Fund, as authorized, \$1,000,000,
14 to remain available until expended.

15 DEPARTMENT OF DEFENSE

16 OPERATION AND MAINTENANCE

17 OPERATION AND MAINTENANCE, ARMY

18 For an additional amount for expenses, not otherwise
19 provided for, necessary for the operation and maintenance
20 of the Army, as authorized by law, \$1,000,000.

1 DEPARTMENT OF HOMELAND SECURITY
2 DEPARTMENTAL MANAGEMENT, INTELLIGENCE,
3 SITUATIONAL AWARENESS, AND OVERSIGHT
4 MANAGEMENT DIRECTORATE
5 OPERATIONS AND SUPPORT

6 For an additional amount for necessary expenses of
7 the Management Directorate for operations and support,
8 \$1,000,000.

9 DEPARTMENT OF ENERGY
10 ENERGY PROGRAMS
11 ENERGY INFORMATION ADMINISTRATION

12 For an additional amount for Department of Energy
13 expenses necessary in carrying out the activities of the En-
14 ergy Information Administration, \$1,000,000, to remain
15 available until expended.

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