



SECURING A STRONG RETIREMENT ACT:

A bipartisan bill, Securing a Strong Retirement Act of 2020 (SECURE 2.0), was recently introduced to the House by the Ways and Means Committee Chairman Richard Neal (D-MA) and Ranking Member Kevin Brady (R-TX). The bill seeks to build on the SECURE Act passed in 2019 to further improve participants’ retirement readiness and financial well-being.

“COVID-19 has only exacerbated our nation’s existing retirement crisis, further compromising Americans’ long-term financial security,” said Chairman Neal, according to an October 27 press release. “In addition to meeting workers’ and families’ most pressing, immediate needs, we must also take steps to ensure their well-being further down the road. With the Securing a Strong Retirement Act, Ranking Member Brady and I build on the landmark provisions in the SECURE Act and enable more workers to begin saving earlier – and saving more – for their futures. This bill will help Americans approach old age with the confidence and dignity they deserve after decades of hard work and sacrifice.”

“Ensuring Americans have the resources they need for a prosperous retirement is a bipartisan priority – and I’m glad that Chairman Neal and I were able to come together again to build on our work from the SECURE Act,” Rep. Brady said. “Our legislation will make it easier for folks to save, protect Americans’ retirement accounts, and give workers more peace of mind as they plan for the future.”

Some key provisions include the following:

- ▲ Require auto enrollment for eligible employees at a minimum of 3% with an escalation up to 10% on new plans.
- ▲ Allow 403(b) plans to offer collective investment trusts as an investment option.
- ▲ Expand retirement savings options for nonprofit employees by allowing groups of nonprofits to join together to offer retirement plans to their employees.



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- ▲ Increase the required minimum distribution age to 75 and exempt those with less than \$100,000 in retirement savings from having to take minimum distributions.
- ▲ Allow individuals to pay down student debt instead of contributing to their retirement plan and still receive an employer match in their retirement plan.
- ▲ Make it easier for military spouses who change jobs frequently to save for retirement.
- ▲ Make it easier for employees to find lost retirement accounts by creating a national, online database of lost accounts.
- ▲ Make changes to the qualifying longevity annuity contracts (QLACs) by removing the 25% cap and increasing the limit.

Highland will continue to monitor the developments and update clients on any potential next steps.

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