

S 1270

SAFE Retirement Act of 2013

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Labor and Employment

Introduced: Jul 9, 2013

Current Status: Sponsor introductory remarks on measure. (CR S5662-5664)

Latest Action: Sponsor introductory remarks on measure. (CR S5662-5664) (Jul 11, 2013)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/1270>

Sponsor

Name: Sen. Hatch, Orrin G. [R-UT]

Party: Republican • **State:** UT • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 9, 2013

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

No related bills are listed.

Secure Annuities for Employee Retirement Act of 2013 or the SAFE Retirement Act of 2013 - **Title I: Public Pension Reform** - Amends the Internal Revenue Code to provide for annuity accumulation retirement plans for state and local government employees beginning after 2014.

Directs the Comptroller General (GOA) to conduct a study of federal employee pension plans.

Title II: Private Pension Reform - Subtitle A: Enhanced Pension Plan Coverage - Amends the Internal Revenue Code, with respect to 401(k) plans, to allow employers who do not maintain a qualified retirement plan to establish a starter 401(k) deferral-only arrangement. Allows contributions to such arrangements of up to \$8,000 per year and catch-up contributions for individuals age 50 and older.

Increases from \$500 to \$5,000 the cap on the tax credit for the pension start-up costs of small employers.

Allows employers to replace certain pension plans with safe harbor 401(k) plans.

Eliminates the 10% cap on contributions to automatic 401(k) plans. Revises rules relating to the election of safe harbor 401(k) status and multiple employer defined contributions.

Subtitle B: Pension Plan and Retirement Savings Simplification - Revises rules relating to pension plan amendments, discrimination testing, restrictions on hardship distributions, rollovers, forfeitures, notice requirements for new plan participants, and plan terminations.

Terminates rules relating to top-heavy pension plans (plans that have a higher concentration of accrued benefits for key employees) for plan years beginning after December 31, 2013.

Allows a new tax credit for contributions to a secure deferral arrangement.

Subtitle C: Longevity Reforms - Modifies minimum distribution requirements to allow 25% of the account balance for the purchase of a deferred joint and survivor life annuity. Requires the annuity to be purchased on or before the date of the plan participant's initial required minimum distributions. Prohibits any deferral period from extending beyond the date the participant attains age 85.

Requires the Secretary of the Treasury to update or provide new mortality tables for purposes of determining a plan participant's minimum required distribution. Requires a new update every five years.

Allows plan participants to convert their required minimum distribution into a Roth individual retirement account (Roth IRA).

Allows a plan sponsor to transfer responsibility for the administration of the joint and survivor annuity rules to the annuity provider.

Requires the Secretary to modify the Employee Plans Compliance Resolution System to allow for the correction of loan errors and inadvertent errors in retirement plans, IRAs, and required minimum distribution requirements.

Subtitle D: Modifications to the Employee Retirement Income Security Act of 1974 - Amends the Employee Retirement and Income Security Act of 1974 (ERISA) and the Internal Revenue Code to: (1) authorize all documents required or permitted to be furnished to a plan participant to be furnished in electronic form unless the plan participant

has elected to receive paper documents; (2) modify the deadline for summary plan description updates; (3) make the annual audit requirement applicable to 100 participants who have an accrued benefit under the plan (currently, 100 participants); and (4) deem the fiduciary duty in selecting an annuity provider and annuity contract in connection with the payment of benefits under a defined contribution plan satisfied to the extent that the contracts are guaranteed by a state guaranty association.

Title III: Individual Retirement Investment Advice Reform - Transfers authority to the Secretary of the Treasury for the enforcement of prohibited transaction rules for individual retirement accounts (IRAs). Requires the Secretary to consult with the Securities and Exchange Commission (SEC) in prescribing rules relating to the professional standards of care owed by brokers and investment advisors to holders of IRA accounts and annuities. Provides for the joint issuance of regulations for prohibited transaction rules applicable to employer-sponsored retirement plans by the Secretary of the Treasury and the Secretary of Labor.

Actions Timeline

- **Jul 11, 2013:** Sponsor introductory remarks on measure. (CR S5662-5664)
- **Jul 9, 2013:** Introduced in Senate
- **Jul 9, 2013:** Sponsor introductory remarks on measure. (CR S5569-5572)
- **Jul 9, 2013:** Read twice and referred to the Committee on Finance.

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