

## HR 4294

SAVERS Act of 2015

**Congress:** 114 (2015–2017, Ended)

**Chamber:** House

**Policy Area:** Labor and Employment

**Introduced:** Dec 18, 2015

**Current Status:** Placed on the Union Calendar, Calendar No. 392.

**Latest Action:** Placed on the Union Calendar, Calendar No. 392. (Apr 20, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/house-bill/4294>

### Sponsor

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**Name:** Rep. Roskam, Peter J. [R-IL-6]

**Party:** Republican • **State:** IL • **Chamber:** House

**Cosponsors** (38 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Larson, John B. [D-CT-1]	D · CT		Dec 18, 2015
Rep. Lujan Grisham, Michelle [D-NM-1]	D · NM		Dec 18, 2015
Rep. Neal, Richard E. [D-MA-1]	D · MA		Dec 18, 2015
Rep. Reed, Tom [R-NY-23]	R · NY		Dec 18, 2015
Rep. Roe, David P. [R-TN-1]	R · TN		Dec 18, 2015
Rep. Carter, Earl L. "Buddy" [R-GA-1]	R · GA		Jan 11, 2016
Rep. Scott, David [D-GA-13]	D · GA		Jan 11, 2016
Rep. Boustany, Charles W., Jr. [R-LA-3]	R · LA		Feb 1, 2016
Rep. Byrne, Bradley [R-AL-1]	R · AL		Feb 1, 2016
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Feb 1, 2016
Rep. Wilson, Joe [R-SC-2]	R · SC		Feb 1, 2016
Rep. Young, Todd [R-IN-9]	R · IN		Feb 1, 2016
Rep. Holding, George [R-NC-13]	R · NC		Feb 2, 2016
Rep. Jenkins, Lynn [R-KS-2]	R · KS		Feb 2, 2016
Rep. Renacci, James B. [R-OH-16]	R · OH		Feb 2, 2016
Rep. Ashford, Brad [D-NE-2]	D · NE		Feb 23, 2016
Rep. MacArthur, Thomas [R-NJ-3]	R · NJ		Feb 23, 2016
Rep. Paulsen, Erik [R-MN-3]	R · MN		Feb 23, 2016
Rep. Walorski, Jackie [R-IN-2]	R · IN		Feb 23, 2016
Rep. Bishop, Mike [R-MI-8]	R · MI		Feb 26, 2016
Rep. Duncan, John J., Jr. [R-TN-2]	R · TN		Feb 26, 2016
Rep. Gibbs, Bob [R-OH-7]	R · OH		Feb 26, 2016
Rep. Guthrie, Brett [R-KY-2]	R · KY		Feb 26, 2016
Rep. Meehan, Patrick [R-PA-7]	R · PA		Feb 26, 2016
Rep. Nunes, Devin [R-CA-22]	R · CA		Feb 26, 2016
Rep. Reichert, David G. [R-WA-8]	R · WA		Feb 26, 2016
Rep. Thompson, Glenn [R-PA-5]	R · PA		Feb 26, 2016
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		Feb 26, 2016
Rep. Zinke, Ryan K. [R-MT-At Large]	R · MT		Feb 26, 2016
Rep. Allen, Rick W. [R-GA-12]	R · GA		Mar 7, 2016
Rep. Barletta, Lou [R-PA-11]	R · PA		Mar 7, 2016
Rep. Marchant, Kenny [R-TX-24]	R · TX		Mar 7, 2016
Rep. Cramer, Kevin [R-ND-At Large]	R · ND		Mar 17, 2016
Rep. Latta, Robert E. [R-OH-5]	R · OH		Mar 17, 2016
Rep. Olson, Pete [R-TX-22]	R · TX		Mar 17, 2016
Rep. Amodei, Mark E. [R-NV-2]	R · NV		Apr 12, 2016
Rep. Gohmert, Louie [R-TX-1]	R · TX		Apr 12, 2016
Rep. Sessions, Pete [R-TX-32]	R · TX		Apr 12, 2016

Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Reported By	Apr 20, 2016
Ways and Means Committee	House	Reported By	Apr 20, 2016

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

Bill	Relationship	Last Action
114 HR 4293	Related bill	<b>Apr 20, 2016:</b> Placed on the Union Calendar, Calendar No. 391.
114 S 2502	Related bill	<b>Feb 4, 2016:</b> Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
114 S 2505	Related bill	<b>Feb 4, 2016:</b> Read twice and referred to the Committee on Finance.

## **Strengthening Access to Valuable Education and Retirement Support Act of 2015 or the SAVERS Act of 2015**

This bill amends the Internal Revenue Code (IRC) to modify the requirements for fiduciaries that provide investment advice to tax-favored savings plans, including employer-sponsored retirement plans, individual retirement accounts, health savings accounts, and education savings accounts.

(Sec. 2) The bill specifies that the purpose is to provide that advisors are subject to liability under the IRC if they: (1) provide advice that is impermissible under the prohibited transaction provisions, or (2) breach the best interest standard for the provision of investment advice.

(Sec. 3) The bill amends the IRC to exempt from the tax on prohibited transactions: (1) the provision of investment advice by a fiduciary to a plan, plan participant, or beneficiary with respect to the plan, which is a best interest recommendation; or (2) a transaction connected to the advice.

For purposes of this bill, investment advice is a recommendation that relates to:

- the advisability of acquiring, holding, disposing, or exchanging any moneys or other property of a plan by the plan, plan participants, or plan beneficiaries, including any recommendation whether to take a distribution of benefits from the plan or any recommendation relating to the investment of any moneys or other property of the plan to be distributed from the plan;
- the management of moneys or other property of the plan, including recommendations relating to the management of moneys or other property to be distributed from the plan; or
- the advisability of retaining or ceasing to retain a person who would receive a fee or other compensation for providing any of these types of advice.

Investment advice must be rendered pursuant to either: (1) a written acknowledgment that the person is a fiduciary with respect to the provision of the recommendation; or (2) a mutual agreement, arrangement, or understanding that may include limitations on scope, timing, and responsibility to provide ongoing monitoring or advice services.

Any disclaimer of a mutual agreement, arrangement, or understanding with respect to a recommendation must be limited to specified language indicating that the information is not individualized or intended to be materially relied on in making investment or management decisions.

The bill specifies circumstances under which information that is provided with certain disclosures, by certain individuals, or that is limited to certain non-individualized content is not treated as a recommendation made pursuant to a mutual agreement, arrangement, or understanding for purposes of the definition of investment advice and must include a disclaimer.

The specified circumstances involve:

- a seller providing information in a marketing or sales capacity;
- information provided by a counterparty or service provider to the plan in connection with any transaction based on the information (including a service arrangement, sale, purchase, loan, bilateral contract, swap, or security-based swap);
- information provided by an employee of a plan sponsor;

platforms or similar mechanisms that provide selection and monitoring assistance;

- valuation information; and
- financial education information.

The bill defines "best interest recommendation" as a recommendation: (1) for which no more than reasonable compensation is paid; (2) that is provided by a person acting with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person would exercise based on information obtained from an advice recipient; and (3) where the advisor places the interests of the plan or advice recipient above the advisor's interests.

A best interest recommendation may include a recommendation that:

- is based on a limited range of investment options, which may consist of proprietary products, if the limitations are clearly disclosed to the recipient prior to any transaction based on the advice using a notice that also indicates that the same or similar investments may be available at a different cost from other sources; or
- may result in variable compensation to the investment advisor if the receipt of the compensation is clearly disclosed to the advice recipient prior to any transaction based on the advice.

A recommendation will not fail to qualify as a best interest recommendation solely because the person, acting in good faith and with reasonable diligence, makes an error or omission in disclosing the required information if the disclosure occurs as soon as practicable, but not later than 30 days after the person knows of the error or omission.

The bill prohibits the Department of Labor from amending any rules or administrative positions regarding investment advice promulgated under the Employee Retirement Income Security Act of 1974 (ERISA), the prohibited transaction provisions of the IRC, or other Labor regulations. No such rules or administrative positions promulgated prior to the enactment date of this bill, but not effective on January 1, 2015, may become effective unless a bill or joint resolution specifically approving such rules or positions is enacted not later than 60 days after the enactment of this bill.

## Actions Timeline

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- **Apr 20, 2016:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 114-512, Part I.
- **Apr 20, 2016:** Reported (Amended) by the Committee on Education and the Workforce. H. Rept. 114-512, Part II.
- **Apr 20, 2016:** Placed on the Union Calendar, Calendar No. 392.
- **Feb 3, 2016:** Committee Consideration and Mark-up Session Held.
- **Feb 3, 2016:** Ordered to be Reported (Amended) by the Yeas and Nays: 26 - 12.
- **Feb 2, 2016:** Committee Consideration and Mark-up Session Held.
- **Feb 2, 2016:** Ordered to be Reported (Amended) by the Yeas and Nays: 22 - 14.
- **Dec 18, 2015:** Introduced in House
- **Dec 18, 2015:** Referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, 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.