



# Legislative and Regulatory Report

A monthly review of the latest information of importance to retirement plan sponsors

## November 2023

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### Finance Committee examines tax effects of PPLI, some annuities

On November 9, the Senate Finance Committee held a [hearing](#) titled “Examining How the Tax Code Affects High-Income Individuals and Tax Planning Strategies.” Chairman Ron Wyden (D-OR) had previously voiced concerns over certain insurance products – particularly private placement life insurance (PPLI) and some types of annuities – and his perception of how they contribute to unfair tax avoidance for wealthy individuals. The Joint Committee on Taxation (JCT) released a report for the hearing, examining the history and current use of tax planning strategies of high-income individuals. PPLI and annuities are mentioned in the JCT report, but only PPLI was briefly mentioned in oral testimony at the hearing.

### Department of Labor declines to extend Retirement Security Rule comment period, moves hearing dates a week earlier to December 12

On November 15, the Department of Labor (DOL) sent letters to companies and [trade associations](#) that had filed comments requesting an extension of the 60-day comment period and a delay in the public hearing date for the [Retirement Security Rule](#). The DOL’s letter, signed by Lisa Gomez, Assistant Secretary of the Employee Benefits Security Administration, explained that the department does not intend to extend the comment period despite the numerous requests from stakeholders. The public hearing is to be held virtually on December 12 and 13, and the comment period will end on January 2, 2024.

Tip: Click on highlighted words to go to the topic being discussed.

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Information presented in this newsletter was current and accurate as of the date of publication. This information is of a general and informational nature and is NOT INTENDED TO CONSTITUTE LEGAL OR INVESTMENT ADVICE. Rather, it is provided as a means to inform you of current information about legislative and regulatory changes and other information of interest. Plan Sponsors are urged to consult their own counsel regarding this information.

## Senators Cassidy and Kaine introduce a bill to help young Americans save earlier

On November 15, Sens. Bill Cassidy (R-LA) and Tim Kaine (D-VA) introduced a bipartisan effort aimed at increasing access to retirement savings through the [Helping Young Americans Save for Retirement Act](#). The legislation would reduce the eligibility age from 21 to 18 for 401(k) and 403(b) plans. Of note, those employees that work between 500 and 999 hours a year would not become eligible until they turn 21, generally limiting the rule to full-time employees. Under current law, employees under 21 are often precluded from defined contribution plans, even if they have 1,000 hours of service.

## Congress averts a government shutdown

On November 16, the Senate voted 87-11 to pass a temporary government funding package. This [continuing resolution](#) keeps the government funded for 2 more months while appropriation bills are negotiated with imposed deadlines. The deadlines are split in 2 dates: January 19, 2024, for some federal agencies and February 2, 2024, for others — a laddered approach favored by House Speaker Mike Johnson. Also, the spending package does not include the White House's [\\$106 billion aid request](#) for Israel, Ukraine, humanitarian support for Palestinians, and other supplemental requests. Despite averting a shutdown, the House remains plagued by internal divisions in passing appropriation bills as another shutdown looms in the months ahead.

## References and source material used in this publication

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Letter from the U.S. Department of Labor, <https://images.thinkadvisor.com/contrib/content/uploads/documents/415/518413/Extension-request-response-letter-SIFMA.pdf> (Nov. 14, 2023).

"Proposed Retirement Security Rule: Definition of an Investment Advice Fiduciary," <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/erisa/retirement-security>.

"Ranking Member Cassidy, Kaine Introduce Legislation Improving Retirement Savings for Working Americans," <https://www.help.senate.gov/ranking/newsroom/press/ranking-member-cassidy-kaine-introduce-legislation-improving-retirement-savings-for-working-americans> (Nov. 15, 2023).

"Senate Passes Bill to Avert Government Shutdown, Sending it to Biden to Sign," <https://www.washingtonpost.com/business/2023/11/15/senate-vote-avert-government-shutdown> (Nov. 15, 2023).

"White House to Congress: We Want \$106 Billion for the Wars and the Border," [politico.com/news/2023/10/20/white-house-to-congress-we-want-106-billion-for-the-wars-and-the-border-00122704](https://politico.com/news/2023/10/20/white-house-to-congress-we-want-106-billion-for-the-wars-and-the-border-00122704) (Oct. 20, 2023).

## Keeping watch

You can find the most recent information on issues affecting governmental defined contribution plans, plan sponsors and plan participants on the Employer page of our plan website, [NRSforu.com/plansponsor](https://NRSforu.com/plansponsor).



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