



# Legislative and Regulatory Report

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

## January 2024

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### House Financial Services Subcommittee on Capital Markets Holds a Hearing on DOL Fiduciary Rule

On January 10, the House Financial Services Committee’s Subcommittee on Capital Markets held a [hearing](#) titled “Examining the DOL Fiduciary Rule: Implications for Retirement Savings and Access.” Susan Neely, President and CEO of the American Council of Life Insurers (ACLI); Marc Cadin, CEO of Finseca; and Jason Berkowitz, Chief Legal & Regulatory Affairs Officer for the Insured Retirement Institute (IRI), testified about the potential implications surrounding the Department of Labor’s proposed fiduciary rule. The witnesses emphasized robust existing rules, such as the SEC’s Regulation Best Interest (“Reg BI”) and NAIC’s best interest model. They also addressed the disproportionate impact the rule could have on lower- and middle-income savers, expressed their dissatisfaction regarding the breadth of the proposal, and warned about the impact on plan sponsors’ access to necessary information for fiduciary obligations when selecting service providers.

### Congress Averts a Government Shutdown

On January 18, Congress voted to [avert a shutdown](#) for the third time in four months by passing a continuing resolution that runs through March. The Senate passed the measure first by a tally of 77-18, followed by the house in a 314-108 vote. Notably, 106 Republicans — including Elise Stefanik, Chair of the House Republican Conference — and 2 Democrats opposed the resolution. Under the legislation, funding for Military Construction, Veterans Affairs, Agriculture, Transportation, and Housing and Urban Development is set to expire March 1, while funding for other departments will expire on March 8. The additional 6 weeks will allow members of the House and Senate Appropriations Committees to continue their efforts in passing the 12 appropriation bills, according to the top-line funding agreement between the House and Senate leaders.

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

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## Democrats Introduce Legislation Creating Children's Savings Accounts

On January 31, Senator Bob Casey (D-PA), Chairman Ron Wyden (D-OR), Majority Leader Chuck Schumer (D-NY), and Representatives Joyce Beatty (D-OH), Don Beyer (D-VA) and Suzan DelBene (D-WA) introduced the [401Kids Savings Act](#). Based on local models around the country, 401Kids accounts would be built on state 529 college savings platforms and managed by state treasurers. Once the accounts are established for all newborns and kids under age 18, families, nonprofits, employers, foundations and others could contribute to a 401Kids account which, starting at age 18, could be used for postsecondary education and training, a small business, a first home or retirement security. While all families could contribute up to \$2,500 per year to the accounts, only lower- and moderate-incomes families would receive direct federal support. Without bipartisan support, this bill is unlikely to pass in this Congress.

## References and source material used in this publication

"Hearing Entitled: Examining the DOL Fiduciary Rule: Implications for Retirement Savings and Access," <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=409088> (Jan. 10, 2024).

"Congress votes to avert a shutdown and keep the government funded into early March," <https://apnews.com/article/budget-spending-congress-extend-shutdown-fa6958e60fd2c08880b21e091f108215> (Jan. 18, 2024).

"The 401Kids Savings Act," [https://www.casey.senate.gov/imo/media/doc/401kids\\_savings\\_act\\_one\\_pager.pdf](https://www.casey.senate.gov/imo/media/doc/401kids_savings_act_one_pager.pdf) (Jan. 31, 2024).

## 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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