

Stabenow Amendment #1

Stabenow Amendment #1 to The Chairman's Mark of the Enhancing American Retirement Now (EARN) Act

Short Title: Modification of taxes on excess business holdings with respect to employee stock ownership plans (ESOPs)

Description of Amendment: This amendment is S.1982. The amendment would exclude certain purchases of employee-owned stock from being considered as outstanding voting stock for the purpose of the excise tax on excess business holdings of a private foundation in a business enterprise.

The amendment would have a negligible effect on Federal fiscal year budget receipts.

Offset: N/A.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Brown Amendment #1 to the Chairman's Mark of the Encouraging American Retirement Now (EARN) Act

Short Title: Exclude retirement accounts from countable resources for purposes of SSI eligibility

Description of amendment: This amendment would amend the Internal Revenue Code to exclude resources held in private retirement accounts, as enumerated in sections 4974(c), and 457(b) of the Internal Revenue Code of 1986, from being considered as part of the determination of resources of an individual for purposes of the Supplemental Security Income program.

Budgetary impact: Forthcoming.

Offset (if applicable): To be determined in coordination with the Finance Committee.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Brown Amendment #2 to the Chairman's Mark of the Encouraging American Retirement Now (EARN) Act

Short Title: Increase SSI asset limits

Description of amendment: This amendment is identical to the text of S. 4102, a bill to amend title XVI of the Social Security Act to update the resource limit for supplemental security income eligibility.

Budgetary impact: \$12.6 billion.

Offset (if applicable): To be determined in coordination with the Finance Committee.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Casey Amendment #1 to the Chairman's Mark of the Encouraging American Retirement Now (EARN) Act

Short title: ABLE Age Adjustment Act

Description of the Amendment:

Under the current law, only individuals with an age onset of disability prior to turning 26 are eligible for ABLE savings accounts. This amendment raises the threshold to age 46, allowing people who become disabled in middle age to qualify for ABLE accounts. This will expand the number of individuals with disabilities eligible to open ABLE accounts from approximately 8 million to 14.2 million, including an additional 1 million veterans.

ABLE (Achieving a Better Life Experience) accounts enable individuals with disabilities to save for and pay for disability-related expenses and retirement. Due to strict asset limits in the Supplemental Security Income (SSI) and Medicaid programs, ABLE accounts are often the only way people with disabilities can accrue savings above \$2,000. This change will not only expand access for individuals with disabilities but improve the long-term viability of ABLE programs by expanding the number of active accounts and assets under management.

This amendment takes effect after tax year 2025.

Budgetary impact: \$1.33 billion over 10 years

Offset (if applicable): To be provided.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Casey Amendment #2 to the Chairman's Mark of the Encouraging American Retirement Now (EARN) Act

Short title: National Children's Savings Accounts

Description of the Amendment:

This amendment would establish savings accounts for every child born in the United States. These accounts would be owned directly by the child or young adult and accounts would be maintained and administered by the U.S. Treasury Department, though parents or young adults could roll the funds over into other accounts of their choice. Account balances may only be invested in Treasury securities. Up to \$500 will be transferred into the account of qualifying children annually, at tax time, following confirmation that a parent has a qualifying AGI. Phase-out of \$500 federal contribution is over a \$20,000 income range beginning at \$100,000 and ending at \$120,000 for married filers.

Contributions cannot be made after the account owner reaches age 26. Funds may be used for higher education expenses or following receipt of a bachelor's degree, associate's degree, or enlistment in active-duty military service, funds may be rolled over into a Roth IRA, used to start a business, or as a down payment to buy a home.

This amendment takes effect for tax years beginning after December 31, 2023.

According to the Federal Reserve more than a quarter of American households had less than \$1,000 in wealth. The typical American family headed by someone less than 35 years of age had only \$14,000 in wealth. This bill would double young Americans' starting wealth position, allowing them access to a secure financial future.

Budgetary impact:

Offset (if applicable): To be provided.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Whitehouse Amendment #1 to the Enhancing American Retirement Now (EARN) Act

Cosponsor(s): Brown, Casey, and Warren

Short title: Increasing retirement plan participation through automatic enrollment

Description of the Amendment:

This amendment would require new section 401(k) and 403(b) plans to automatically enroll participants when they become eligible. The uniform percentage of compensation contributed by the participant must be at least three percent for the first year, and then increase by one percent each year until it reaches at least 10 percent (but no more than 15 percent). Employees may opt out or change their contribution percentage at any time. As under current law, employees who have been automatically enrolled in a plan may make tax- and penalty-free withdrawals for up to 90 days following the date of the employee's first contribution.

This amendment does not apply to the following types of plans:

- 401(k) and 403(b) plans established before the date of enactment
- Governmental plans and church plans
- Plans maintained by employers that have been in existence for less than three years
- Plans maintained by employers with 10 or fewer employees

The amendment also requires the IRS to create model forms businesses need to administer automatic enrollment plans in all the languages in which the form 1040 is available.

This amendment takes effect for plan years beginning after December 31, 2023.

Offset: To be provided.

Hassan Amendment #1

Hassan Amendment #1 to The Chairman's Mark of the Enhancing American Retirement Now Act

Short Title: Expansion of the Saver's Credit to 529 contributions

Description of Amendment: This amendment would modify §25B to provide a credit for contributions to qualified tuition programs under §529. This provision is based on Section 2 of S. 4103.

Offset: To be provided

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), germaneness, or other purposes.]

Warren #1 to Enhancing American Retirement Now (EARN) Act

Short title: Expanding Social Security by Making the Wealthy Pay Their Fair Share

Description of the Amendment: This amendment would expand Social Security benefits for current and existing recipients by \$200 a month. It would more accurately provide Cost-Of-Living-Adjustments by adopting the Consumer Price Index for the Elderly. The amendment would also increase and index the Special Minimum Benefit to 125 percent of the poverty line and restore student benefits up to age 22 for children of disabled or deceased workers. Lastly, it would combine the Disability Insurance Trust Fund with the Old Age and Survivors Trust fund.

This amendment would take effect January 1, 2023.

Budgetary Impact: This proposal is estimated to increase revenue by \$34.2 trillion and increase costs by \$12.9 trillion over the 75-year period. The Social Security Administration has estimated that this would achieve 75-year solvency.

Offset (if applicable): This amendment would be funded by applying the payroll tax on all income – including capital gains – above \$250,000 a year.

Cosponsor(s): Senator Whitehouse.

Warren #2 to Enhancing American Retirement Now (EARN) Act

Short title: Limitations on High-Income Taxpayers with Large Retirement Account Balances

Description of amendment: This amendment would require taxpayers with aggregate 401(k) and IRA account balances in excess of \$10 million to take a distribution of 50% of the excess each year. Such taxpayers would also be limited from making additional contributions to IRAs. The amendment also requires distributions from Roth accounts if aggregate IRA or 401(k) account balances exceed \$20 million. The amendment would only apply to a taxpayer if income is in excess of \$450,000 (joint) or \$400,000 (single). The amendment would be effective after 2029.

Budgetary impact: The proposal is estimated to increase tax receipts by \$13.9B over the 10-year budget window.

Offset (if applicable): Not applicable

Cosponsor(s): Senator Whitehouse.

Grassley Amendment #1

Grassley Amendment #1 to the Enhancing American Retirement Now (EARN) Act

Co-sponsor(s): Senator(s) Daines, Lankford, Young, Barrasso

Short Title: Middle-Class Savings and Investment Act

Description of Amendment:

Consistent with S. 4393, the Middle-Class Savings and Investment Act, the amendment would:

- Expand the current 0 percent tax bracket for capital gains and dividends to align it with the top of current 22 percent tax bracket. For 2022, this means increasing the top of the zero bracket from \$41,675 (\$83,350 married) to \$89,075 (\$178,150 married).
- Net Investment Tax (NIT) marriage penalty relief and index NIT to inflation. For 2022, the NIT threshold for married filing jointly would be increased from \$250,000 to \$400,000 and its income thresholds are indexed to inflation.
- Exclude the first \$300 (\$600 married) of interest income from tax.
- Enhanced Savers Credit. Strike section A.2 of the Chairman's mark (Matching payments for elective deferral and IRA contributions by certain individuals) and replace with provision enhancing and modifying the existing law savers credit by:
 - Increasing the max contribution amount the credit applies to by \$500, increasing the total contribution amount to \$2,500 (\$5,000 married).
 - The credit's current phase-out schedule is replaced with a new phase-out formula that reduces the 50% credit for married taxpayer's when their adjusted gross income exceeds \$45,000. The credit is phased-out ratably over the next \$40,000.
 - For single taxpayers, the income threshold and phase-out amount are reduced by 50% and for head-of-household filers the amounts are reduced by 25%.
 - The income threshold and phase-out amount are indexed to inflation.

Offset: The \$10,000 cap on the State and Local Tax Deduction is extended as necessary to fully offset the revenue loss from the above provisions.

Grassley Amendment #2

Grassley Amendment #2 to the Enhancing American Retirement Now (EARN) Act

Short Title: to amend the Internal Revenue Code of 1986 to modify the rules governing Price Protection Agreements used in certain ESOP transactions.

Description of Amendment: Price Protection Agreements (PPA) are used by ESOPs to protect plan participants from seeing their retirement savings depleted during a second stage ESOP transaction. A recent IRS legal memorandum limits the ability of an ESOP to use such agreements to make plan participants whole by generally denying rollover treatment to price protection payments made outside the plan. Moreover, the memorandum makes it difficult for such payments to run through the plan as such payments may exceed contribution limits and/or violate anti-discrimination rules. To address these issues, the proposal would:

- Grandfather certain outstanding price protection agreements: From December 13, 2019 to enactment, price protection amounts will be afforded rollover treatment so long as the agreement provided a payment to any participant (or beneficiary of such participant) that separated from service with employer due to retirement, death, and disability (agreement must cover all 3-can't only be for retirement).
- From date of enactment forward to get rollover treatment Price Protection Agreement must run through the plan/or will be treated as running through the plan to be eligible for rollover treatment. Price protection payments will not be considered contributions/annual additions and will be considered to meet anti-discrimination rules so long as the PPA covers any separation of service of a plan participant regardless of the reason and is paid upon commencement of distributions under 409(0)(1)(A)(i).
- For purposes of this rule, a price protection agreement means an agreement between the employer and the ESOP trustee entered into for benefit of covered participants (and their beneficiaries) in the plan. The agreement must cover shares allocated to the participant's account as of the date of an exempt loan and covers a period specified in such agreement, but may not to exceed the shorter of 5 years or the life of the exempt loan. Moreover, the payment amount must equal the difference between the price of the participant's shares and the price of their shares absent the loan.

Offset: To be provided

Cornyn Amendment #1 to the Chairman's Mark of the Enhancing American Retirement Now (EARN) Act

Short Title: To make certain improvements to the Enhancing American Retirement Now (EARN) Act.

Description of Amendment: To be determined.

Offset: To be determined.

Cornyn Amendment #2 to the Chairman's Mark of the Enhancing American Retirement Now (EARN) Act

Short Title: To make certain improvements to the Enhancing American Retirement Now (EARN) Act.

Description of Amendment: To be determined.

Offset: To be determined.

Cornyn Amendment #3 to the Chairman's Mark of the Enhancing American Retirement Now (EARN) Act

Short Title: To make certain improvements to the Enhancing American Retirement Now (EARN) Act.

Description of Amendment: To be determined.

Offset: To be determined.

Burr Amendment #1

Burr Amendment #1 to the Chairman's Mark of the Enhancing American Retirement Now (EARN) Act

Short Title: 529 Account to Roth IRA Rollover

Cosponsors: Senator Casey, Senator Hassan

Description of Amendment: This provision would amend the Internal Revenue Code of 1986 to allow for tax and penalty free rollovers from 529 accounts to Roth IRAs, under certain conditions.

Offset: To be provided

BURR AMENDMENT #2

Burr Amendment #2 to The Enhancing American Retirement Now (EARN) Act.

Short Title: Strengthen Retirement for Volunteer Firefighters

Description of Amendment:

This Amendment would permit states to grant permission for certain 501(c)(3)-employed firefighters to join a local government pension plan.

In many states across the US, volunteer fire departments have been hiring full-time firefighters and EMS personnel to assist in covering ever-increasing call volumes. Since many of these volunteer fire departments are technically organized as a 501(c)(3) entity, their career staff are unable to participate in local pension plans. The Internal Revenue Service has forced states to abandon plans to grant eligibility to these 501(c)(3)-employed personnel since the 501(c)(3) agency technically is not a governmental entity. This Amendment would permit states to grant permission for these 501(c)(3)-employed firefighters to join a local government pension plan. It is important to note that this legislation does not automatically add these career personnel into a pension plan. States must still grant pension eligibility and then the fire department itself must make add these individuals into a pension plan

Offset: To be provided

Notes: See identical provision in H.R. 8696, Securing a Strong Retirement Act of 2020 (Neal, Brady) - SEC. 116. GOVERNMENTAL PENSION PLANS MAY INCLUDE CERTAIN FIREFIGHTERS, EMERGENCY MEDICAL TECHNICIANS, AND PARAMEDICS.

Toomey Amendment #1 to the Chairman's Mark of The Enhancing American Retirement Now (EARN) Act-

Short Title: To permanently extend full expensing.

Description of Amendment: This amendment would eliminate the phase down and permanently extend 100-percent bonus depreciation for qualified property acquired after September 27, 2017, and placed in service after December 31, 2022, as well as specified plants planted or grafted after such date.

Toomey Amendment #2 to the Chairman’s Mark of The Enhancing American Retirement Now (EARN) Act-

Short Title: To allow individuals to withdrawal funds from their retirement accounts to pay for long-term care insurance and to exclude such withdrawals from gross income, up to \$2,500 annually.

Description of Amendment: This amendment would exclude from gross income any distribution from an eligible retirement plan to the extent that the aggregate amount of such distributions does not exceed the amount paid by or assessed to the individual during the taxable year for a long-term care insurance contract. Such exclusion is permitted only for one taxpayer for any taxable year with respect to any one insured individual, and the amount excluded from income with respect to an insured individual may not exceed \$2,500 (adjusted for inflation). The term “eligible retirement plan” includes a qualified retirement plan that is a defined contribution place, a section 403(a) annuity plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA. The qualifying coverage may be for the individual or the individual’s spouse or dependent.

Cassidy Amendment #1 to the Chairman's Mark of the Encouraging American Retirement Now (EARN) Act

Short Title: **Assist savers in recovering unclaimed savings bonds**

Description of Amendment:

This amendment would require Treasury to share matured and unredeemed savings bond information with the states to host on their unclaimed database platforms. This would help promote their redemption and reunite the investors with their investment.

The amendment would require Treasury to share with each State the digital documentation and information on matured unredeemed savings bonds registered to the owner with a last known address that is within that state. Shareable information includes bond serial numbers, last known address of owner, and any other records of transactions involving the bond.

States that receive this information can use it to locate the owner of the bond in accordance with the same standards they currently employ under their abandoned property rules and regulations.

The Treasury Secretary can issue regulations to carry out this amendment, including rules to protect the privacy of the owners of these unredeemed savings bonds, and to ensure the use of this information is used solely to reunite bond owners with their investments.

Budgetary Impact: The amendment would not affect direct spending. Costs would be discretionary.

Offset: N.A.

Daines/Stabenow/Grassley Amendment #1 to The Chairman’s Mark of the “Enhancing American Retirement Now Act”

Cosponsors: Stabenow, Grassley

Short Title: Amendment to accelerate the effective date of the exclusion of changes to certain disability related first responder payments to taxable years after date of enactment.

Description of Amendment: Change the effective date of section C.3 of the Chairman’s Mark (Exclusion of certain disability related first responder disability payments) to taxable years after date of enactment.

(3) Modify section K.2 of the Chairman’s Mark (Elective deferrals generally limited to the regular contribution limit) by permitting an employee to elect to make pre-tax catch-up contributions if the employee’s compensation for the prior year is below a specified dollar limit (indexed). The specified dollar limit is the maximum amount possible provided that the 10 year cost of the legislation (taking into account this amendment) is fully offset.

Offset: Adopt the *Charitable Conservation Easement Program Integrity Act of 2021*, with the following modifications:

- The effective date, including any penalty provisions, is modified to apply only to contributions made after the date of enactment of this Act.
- A safe harbor rule is added for transactions other than certain designated syndicated conservation easement transactions, which allows for a correction of certain defects in a deed conveying an easement (the “correction procedure”). The Secretary is directed to publish safe harbor deed language for extinguishment clauses and boundary line adjustments within 120 days of the date of enactment. During the 90-day period beginning on the date of publication of such deed language, a donor may amend an easement deed to substitute the safe harbor language for the corresponding language in the original deed, provided that the amended deed is signed by the donor and recipient organization and recorded within the 90-day period, and the amendment is treated as effective as of the date of the recording of the original deed.

The correction procedure is not available for an easement deed relating to any contribution: (1) that is part of a reportable transaction; (2) that, by reason of the disallowance rule of the proposal, is not treated as a qualified conservation contribution; (3) if a charitable deduction has been disallowed by the Secretary, and the donor is contesting the disallowance in a case that is docketed in a Federal court on a date before the date the amended deed is recorded by the donor; or (4) if a claimed charitable deduction resulted in an underpayment to which an underpayment penalty applies, and such penalty has been finally determined or, if such penalty is challenged in court, the judicial proceeding with respect to the penalty has been concluded by a decision or judgment that has become final.

Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue related (if applicable), germaneness, or other purposes.

Young Amendment #1 to the Enhancing American Retirement Now (EARN) Act

Short Title: Retirement Security Flexibility Act of 2021 (S. 2602)

Description of Amendment: Consistent with S. 2602, the Retirement Security Flexibility Act of 2021, this amendment would expand access to and participation in workplace retirement savings plans by making it easier for small businesses to offer well-designed plans to their employees at low cost.

The Employee Retirement Income Security Act of 1974 (ERISA) and the tax code apply many complex requirements to employers that sponsor retirement plans. Safe harbors grant various kinds of relief, such as exemption from annual nondiscrimination testing, to plan sponsors that take certain actions. However, these existing safe harbors are extremely prescriptive. For example, current safe harbors do not provide flexibility for automatic enrollment, while matching requirements can be prohibitively prescriptive for small businesses that cannot offer a 3% elective contribution or match up to 3.5% of an employee's salary. This inflexibility negatively impacts American workers—nearly 60% of small- and medium-sized businesses find that the financial and administrative obligations associated with setting up a plan for their workers deter them from doing so.

This amendment would provide employers flexible alternatives in the form of a new contribution safe harbor that would exempt employers from testing if they automatically enroll eligible new and existing (non-participating) employees in a plan that follows certain guidelines:

- *Automatic enrollment.* While employees can opt out of automatic enrollment at any time, employers who take advantage of the safe harbor would need to employ auto-reenrollment every three years.
- *Small employer contribution.* Small employers could adopt the safe harbor regardless of whether they contribute, but lower contribution limits would apply to small-employer plans based on a sliding scale:
 - If no match, can establish plan at 40% of 402(g) limit (currently \$20,500).
 - If 1% elective contribution or 1.5% matching contribution, can establish plan at 60% of 402(g) limit.
 - If 2% elective contribution or 2.5% matching contribution, can establish plan at 80% of 402(g) limit.

Offset: To be provided.