

PROVISIONS	DESCRIPTION	EFFECTIVE DATES
Pooled Employer Plans/Multiple Employer Plans (Sec. 101)	The legislation amends the Internal Revenue Code to revise requirements for multiple employer pension plans and pooled employer plans. It provides that failure of one employer (the "bad apple rule" in a multiple employer retirement plan to meet plan requirements will not cause all plans to fail and that assets in the failed plan will be transferred to another plan. It also establishes pooled employer plans that do not require a common characteristic.	Effective for plan years beginning after 12/31/19.
Increase in automatic enrollment escalation cap (Sec 102)	The legislation increases the cap for automatic contributions to pension plans from 10% to 15% of employee compensation, beginning after 2019.	Effective for plan years beginning after 12/31/19.
Simplification of Safe Harbor 401(K) Rules (Sec 103)	The legislation eliminates the safe harbor notice requirement but maintains the requirement to allow employees to make or change an election at least once per year. The bill also permits amendments to nonelective status at any time before the 30th day before the close of the plan year. Amendments after that time would be allowed if the amendment provides (1) a nonelective contribution of at least 4% of compensation (rather than at least 3%) for all eligible employees for that plan year, and (2) the plan is amended no later than the last day for distributing excess contributions for the plan year, that is, by the close of following plan year.	Effective for plan years beginning after 12/31/19.
Increase credit limitation for small employer pension plan startup costs (Section 104)	The legislation increases the credit by changing the calculation of the flat dollar amount limit on the credit to the greater of (1) \$500 or (2) the lesser of (a) \$250 multiplied by the number of nonhighly compensated employees of the eligible employer who are eligible to participate in the plan or (b) \$5,000. The credit applies for up to three years.	Effective for tax years beginning after 12/31/19.
Small employer automatic enrollment credit (Section 105)	The legislation creates a new tax credit of up to \$500 per year to employers to defray startup costs for new section 401(k) plans and SIMPLE IRA plans that include automatic enrollment. The credit is in addition to the plan start-up credit allowed under present law and would be available for three years. The credit would also be available to employers that convert an existing plan to an automatic enrollment design.	Effective for tax years beginning after 12/31/19.
Repeal of maximum age for traditional IRA contributions (Section 107)	The legislation repeals the prohibition on contributions to a traditional IRA by an individual who has attained age 70 1/2.	Effective for contributions made for taxable years beginning after 12/31/19.
Qualified plans prohibited from making loans through credit cards and similar arrangements (Section 108)	The legislation prohibits the distribution of plan loans through credit cards or similar arrangements.	Effective for loans made after the date of enactment.
Portability of lifetime income options (Section 109)	The legislation permits qualified defined contribution plans, section 403(b) plans, or governmental section 457(b) plans to make a direct trustee-to-trustee transfer to another employer-sponsored retirement plan or IRA of lifetime income investments or distributions of a lifetime income investment in the form of a qualified plan distribution annuity, if a lifetime income investment is no longer authorized to be held as an investment option under the plan.	Effective for plan years beginning after 12/31/19.
Treatment of custodial accounts on termination of section 403(b) plans (Section 110)	If an employer terminates a 403(b) custodial account, the distribution needed to effectuate the plan termination may be the distribution of an individual custodial account in kind to a participant or beneficiary. The individual custodial account will be maintained on a tax-deferred basis as a 403(b) custodial account until paid out, subject to the 403(b) rules in effect at the time that the individual custodial account is distributed. The Treasury guidance shall be retroactively effective for taxable years beginning after Dec. 31, 2008.	Not later than six months after the date of enactment, Treasury will issue guidance.
Clarification of retirement income account rules relating to church-controlled organizations (Section 111)	The legislation clarifies individuals that may be covered by plans maintained by church-controlled organizations. Covered individuals include duly ordained, commissioned, or licensed ministers, regardless of the source of compensation; employees of a tax-exempt organization, controlled by or associated with a church or a convention or association of churches; and certain employees after separation from service with a church, a convention or association of churches, or an organization described above.	The provision applies to years beginning before, on, or after the date of enactment.
Allowing Long-term Part-time workers to participant in 401(k) plans (Section 112)	Under current law, employers generally may exclude part-time employees (employees who work less than 1,000 hours per year) when providing a defined contribution plan to their employees. Except in the case of collectively bargained plans, the bill will require employers maintaining a 401(k) plan to have a dual eligibility requirement under which an employee must complete either a one year of service requirement (with the 1,000-hour rule) or three consecutive years of service where the employee completes at least 500 hours of service. In the case of employees who are eligible solely by reason of the latter new rule, the employer may elect to exclude such employees from testing under the nondiscrimination and coverage rules, and from the application of the top-heavy rules.	Effective for plan years beginning after 12/31/20, except that for determining whether the three consecutive year period has been met, 12-month periods beginning before 1/1/2021 will not be taken into account.
Penalty-free withdrawals for individuals in case of birth or adoption (Section 113)	The legislation provides for penalty-free withdrawals from retirement plans for any "qualified birth or adoption distributions" to an individual aggregate maximum of \$5,000.	The provision applies to distributions made after December 31, 2019.
Increase in age for required minimum distributions (Section 114)	Under current law, participants are generally required to begin taking distributions from their retirement plan at age 70 1/2. The policy behind this rule is to ensure that individuals spend their retirement savings during their lifetime and not use their retirement plans for estate planning purposes to transfer wealth to beneficiaries. However, the age 70 1/2 was first applied in the retirement plan context in the early 1960s and has never been adjusted to take into account increases in life expectancy. The bill increases the required minimum distribution age from 70 1/2 to 72.	The provision is effective for distributions required to be made after 12/31/19, for employees and IRA owners who attain age 70 1/2 after 12/31/2019.
Plan adopted by filing due date for year may be treated as in effect as of close of year (Section 201)	The legislation permits businesses to treat qualified retirement plans adopted before the due date (including extensions) of the tax return for the taxable year to treat the plan as having been adopted as of the last day of the taxable year.	The provision applies to plans adopted for taxable years beginning after 12/31/19.
Combined annual report for group of plans (Section 202)	The legislation directs the IRS and DOL to effectuate the filing of a consolidated Form 5500 for similar plans. Plans eligible for consolidated filing must be defined contribution plans, with the same trustee, the same named fiduciary (or named fiduciaries) under ERISA, and the same administrator, using the same plan year, and providing the same investments or investment options to participants and beneficiaries.	To be implemented not later than 1/1/22 and shall be effective for returns and reports for plan years beginning after 12/31/21.
Disclosure regarding lifetime income (Section 203)	The legislation requires benefit statements provided to defined contribution plan participants to include a lifetime income disclosure at least once during any 12-month period. The disclosure would illustrate the monthly payments the participant would receive if the total account balance were used to provide lifetime income streams, including a qualified joint and survivor annuity for the participant and the participant's surviving spouse and a single life annuity. The Secretary of Labor is directed to develop a model disclosure. Disclosure in terms of monthly payments will provide useful information to plan participants in correlating the funds in their defined contribution plan to lifetime income. Plan fiduciaries, plan sponsors, or other persons will have no liability under ERISA solely by reason of the provision of lifetime income stream equivalents that are derived in accordance with the assumptions and guidance under the provision and that include the explanations contained in the model disclosure.	Applies with respect to benefit statements provided more than 12 months after the latest of the issuance by the Secretary of (1) interim final rules, (2) the model disclosure, or (3) prescribed assumptions.
Fiduciary safe harbor for selection of lifetime income provider (Section 204)	The legislation provides certainty for plan sponsors in the selection of lifetime income providers, a fiduciary act under ERISA. Under the bill, fiduciaries are afforded an optional safe harbor to satisfy the prudence requirement with respect to the selection of insurers for a guaranteed retirement income contract and are protected from liability for any losses that may result to the participant or beneficiary due to an insurer's inability in the future to satisfy its financial obligations under the terms of the contract. Removing ambiguity about the applicable fiduciary standard eliminates a roadblock to offering lifetime income benefit options under a defined contribution plan.	Effective on date of enactment.
Modification of nondiscrimination rules to protect older, longer service participants (Section 205)	The legislation modifies the nondiscrimination rules with respect to closed plans to permit existing participants to continue to accrue benefits.	The provision is generally effective on the date of enactment, without regard to whether any plan modifications referred to in the provision are adopted or effective before, on, or after the date of enactment.
Expansion of Section 529 plans (Section 302)	Expands IRC Section 529 qualified tuition program accounts to cover costs associated with registered apprenticeships and qualified education loan repayments.	Applies to distributions made after 12/31/18.
Modification of Required Distribution rules for Designated Beneficiaries (Section 401)	The legislation modifies the required minimum distribution rules with respect to defined contribution plan and IRA balances upon the death of the account owner. With certain exceptions, distributions must be distributed by the end of the tenth calendar year following the year of the employee or IRA owner's death.	Applies to distributions with respect to individuals who die after 12/31/19.
Increased penalties for failure to file retirement plan returns (Section 403)	Modifies the failure to file penalties for retirement plan returns. The Form 5500 penalty would be modified to \$250 per day, not to exceed \$150,000. Failure to file a registration statement would incur a penalty of \$10 per participant per day, not to exceed \$50,000. Failure to file a required notification of change would result in a penalty of \$10 per day, not to exceed \$10,000 for any failure. Failure to provide a required withholding notice results in a penalty of \$100 for each failure, not to exceed \$50,000 for all failures during any calendar year. Increasing the penalties will encourage the filing of timely and accurate information returns and statements and the provision of required notices, which, in turn, will improve overall tax administration.	Applies to returns, statements and notifications required to be filed, and notices required to be provided after 12/31/19.