



Federal Legislative & Regulatory Report

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Financial Services ranking member introduces bill to increase DC plan limits

On April 21, Rep. Patrick McHenry (R-NC) introduced [H.R. 6562](#), the Securing Additional Value for Every Retirement Saver (SAVERS) Act, which temporarily raises contribution limits on tax-preferred retirement savings plans and individual retirement accounts. McHenry sees the bill as solving two problems:

1. It will allow all savers the opportunity to prepare for a financially secure retirement.
2. It will encourage investment in companies that need capital.

The SAVERS Act would triple maximum contribution limitations for 2020 and would allow savers limited by their annual income to contribute up to 100% of their annual compensation from 2019 or 2020, whichever is higher.

The bill lacks broad support and has limited prospects.

DOL advances e-delivery regulations

On April 16, the Department of Labor sent its [final e-delivery proposal](#) to the Office of Management and Budget for final review before publication. Any changes from the proposal rule won't be known until DOL publishes it in the Federal Register following OMB review. The timing of final publication is uncertain, but we hope that OMB will do a quick review.

Under the proposed regulations, a new safe harbor provision would permit retirement plan sponsors to satisfy disclosure requirements by notifying participants and beneficiaries that the information will be made available on a website. Individuals would be able to elect paper disclosures and opt out of

electronic delivery entirely. Plans can also continue to rely on the existing DOL safe harbor provision for electronic delivery or furnish paper documents by hand-delivery or by mail.

EBSA issues COVID relief

On April 28, the Department of Labor (DOL) Employee Benefit Security Administration (EBSA) [issued](#) deadline relief and other guidance to help employee benefit plans, plan participants and beneficiaries, employers and other plan sponsors, plan fiduciaries, and other service providers impacted by the coronavirus outbreak. The relief package includes:

- EBSA [Disaster Relief Notice 2020-01](#) extends the time for plan officials to furnish benefit statements, annual funding notices, and other notices and disclosures required by ERISA so long as they make a good faith effort to furnish the documents as soon as administratively practicable.
- DOL also issued a set of [Frequently Asked Questions](#) on health benefit and retirement benefit issues to help employee benefit plan participants and beneficiaries, plan sponsors, and employers impacted by the coronavirus outbreak understand their rights and responsibilities under ERISA.
- IRS/DOL [final regulation](#) extending certain time frames under ERISA for group health plans, disability and other welfare plans, pension plans, and participants and beneficiaries of these plans during the COVID-19 national emergency.

The CARES Act, passed in March, provided additional leeway for DOL to extend deadlines and add flexibility during the COVID-19 national emergency. Among other provisions, the EBSA notice clarifies that increased loan limits under the CARES Act will not be treated as violating the DOL's adequate security rules.

CalSavers delays enrollment deadline

CalSavers is California's state-run retirement plan for private sector workers. On April 16, the California Secure Choice Retirement Savings Investment Board, which oversees the program, unanimously voted to [extend the CalSavers enrollment deadline](#) for large employers.

For employers with more than 100 employees, the June 30 enrollment deadline was moved to September 30. By 2022, all employers with 5 or more workers will be required to enroll employees in the program if they don't already sponsor a retirement plan.

For small employers, those enrollment dates are June 30, 2021, for employers with 50 or more employees and June 30, 2022, for employers with 5 or more employees.

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References and source material used in this publication

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Text of H.R. 6562, the Securing Additional Value for Every Retirement Saver (SAVERS) Act
<https://www.congress.gov/116/bills/hr6562/BILLS-116hr6562ih.pdf>

DOL e-delivery regulation
<https://www.reginfo.gov/public/do/eAgendaViewRule?publd=201910&RIN=1210-AB90>

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U.S. Department of Labor issues COVID-19 relief and guidance for employee benefit plans
<https://www.dol.gov/newsroom/releases/ebsa/ebsa20200428>

EBSA Disaster Relief Notice 2020-01
<https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/disaster-relief/ebsa-disaster-relief-notice-2020-01>

COVID-19 FAQs for Participants and Beneficiaries
<https://www.americanbenefitscouncil.org/pub/COA0AFCD-1866-DAAC-99FB-CF6D121D9EFD>

DOL COVID-19 Final Rule
<https://www.govinfo.gov/content/pkg/FR-2020-05-04/pdf/2020-09399.pdf>

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CalSavers deadline extended to September 30, 2020
<https://www.calsavers.com/home/message.html>

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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.

About this report

BOB BEASLEY, CRC, Communications Consultant, edits this report. Beasley brings more than 30 years of financial services communications experience to your plan. He has contributed to past editions of the *Governmental 457(b) Guidebook*, edits countless newsletters and plan sponsor communications, and in 2001 authored “What you should know about the Economic Growth and Tax Relief Reconciliation Act of 2001.” He often voices Nationwide’s online presentations.

Beasley has served on the Education and Communication Committee for the Plan Sponsor Council of America and as a member of the National Association of Government Defined Contribution Administrators.

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