

LAW & POLICY GROUP**GRIST****BILL AIMS TO IMPROVE WOMEN'S RETIREMENT SECURITY**

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New legislation is aimed at addressing some of the retirement challenges that disproportionately affect women. The Women's Retirement Protection Act of 2019 ([S 975/HR 2005](#)) — introduced April 1 by Sen. Patty Murray, D-WA, and Rep. Lauren Underwood, D-IL — proposes spousal consent for distributions and loans from defined contribution (DC) plans, expanded access to 401(k) and 403(b) plans for long-term part-time workers, measures to boost women's financial literacy and grants to help certain women obtain retirement benefits after divorce or legal separation. Fifteen other female Democratic senators joined Murray, the top Democrat on the Senate's Health, Education, Labor and Pensions Committee, to cosponsor the legislation.

SPOUSAL CONSENT FOR DC DISTRIBUTIONS

The bill would extend spousal consent rules — which currently apply to defined benefit and money purchase plans — to most distributions from DC plans. Exceptions would apply to minimum required distributions, hardship distributions, cashouts up to \$5,000, distributions resulting from use of plan benefits as loan security, qualified joint and survivor or qualified optional survivor annuities, substantially equal periodic payments over the joint lifetimes of a participant and spouse and certain direct rollovers.

DC PLAN ACCESS FOR LONG-TERM PART-TIMERS

Noting that women are almost twice as likely as men to work part time, the bill would require 401(k) and 403(b) plan sponsors to let nonunion part-time workers contribute voluntarily to the plan once they have at least 500 hours of service in two consecutive years (earned after Jan. 1, 2020) and attained age 21. Employers wouldn't have to match those contributions and could exclude those workers from nondiscrimination testing. Sponsors failing to extend access could face fines of up to \$10,000 per worker each year.

IMPROVING WOMEN'S FINANCIAL LITERACY

The measure aims to improve women's financial literacy in two ways. First, sales materials for retirement financial products or services would have to include a link to retirement planning resources and tools on the Consumer Financial Protection Bureau's website. Second, Labor Department grants would provide established community-based organizations funds to develop and implement programs to increase women's financial literacy and retirement planning.

HELP OBTAINING QDROs FOR CERTAIN WOMEN

Support for low-income women and survivors of domestic abuse seeking retirement benefits would be provided through financial grants to community-based organizations that can help obtain qualified domestic relations orders (QDROs).

INDIVIDUAL PROVISIONS COULD ADVANCE SEPARATELY

It's not clear if the bill will advance on its own, but individual provisions could be included in broader retirement legislation being developed by leading Senate and House retirement legislators. The reforms may well get a boost from the record number of women lawmakers and strong bipartisan interest in retirement security issues.

RELATED RESOURCES

Non-Mercer Resources

- The Women's Retirement Protection Act, [S 975/HR 2005](#) (US Congress, April 1, 2019)

Mercer Law & Policy Resources

- [Retirement Bills Multiply in Congress](#) (April 15, 2019)
- [Bipartisan Retirement Reforms Pass Key House Panel](#) (April 3, 2019)
- [2019 Legislative and Regulatory Outlook for Retirement Plans](#) (Feb. 5, 2019)

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