

LAW & POLICY GROUP**GRIST****SECURE ACT STALLS AMID SENATE ‘HOLDS’**

*By Mercer’s Geoff Manville and Brian Kearney
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A handful of Republican senators continue to block action on major retirement legislation passed by the House last month, complicating the outlook for enactment. The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 ([HR 1994](#)), as amended by [House Report 116-79](#), sailed through the House on a 417-3 vote on May 23, and supporters hoped the bill would garner “unanimous consent” for quick Senate passage without need for a formal floor vote. Under Senate rules, however, any senator can place a “hold” on legislation and prevent unanimous consent, and several lawmakers with objections to various provisions have placed holds that continue to stall the bill. Key Senate Republican backers of the measure are working to address their colleagues’ concerns, but there’s been no progress to date. Senate Democrats say none of their members object to the bill.

SENATE OBJECTIONS

Among Senate GOP complaints is the omission of an earlier House bill section expanding the uses for 529 education savings plans to include expenses for home schooling and private and religious schools. The proposal was dropped before House passage due to opposition from many Democrats, but most Republicans nonetheless voted for the bill after a provision was added to repeal an unintended tax increase that hits lower-income children — including death benefits paid out to military families where a parent was killed in the line of duty.

Like some House Republicans, a number of GOP senators also object to a provision that provides targeted pension funding relief to certain community newspapers. Another senator objects to language barring defined contribution (DC) plans from making participant loans via credit cards or similar arrangements.

POSSIBLE PATHS FORWARD

Next steps aren’t clear if Republicans don’t drop their objections to the SECURE Act. Though the bill would likely pass the Senate if brought to a vote, Majority Leader Mitch McConnell, R-KY, wants to move it by unanimous consent and preserve valuable floor time for other priorities. Other possibilities include negotiating a consensus package that would have to clear both chambers, or adding the SECURE Act to other moving legislation later this year. Many in Congress remain guardedly optimistic that the reform package will eventually become law, though if that happens later this year, lawmakers may have to revise the bill’s effective dates.

BILL HIGHLIGHTS

Key reforms in the wide-ranging bill would provide long-awaited nondiscrimination testing relief for closed defined benefit plans, promote “open” DC multiple-employer plans, relax auto-enrollment rules and encourage lifetime-income options in DC plans. Other provisions aim to help individuals save more for retirement.

RELATED RESOURCES

Non-Mercer Resources

- [Estimated Budget Effects of HR 1994](#) (Joint Committee on Taxation, May 22, 2019)
- [House Report 116-79](#), Amending SECURE Act (House, May 20, 2019)
- [HR 1994](#), SECURE Act (Congress, May 16, 2019)
- [Hearing on Challenges in the Retirement System](#) (Senate Finance Committee, May 14, 2019)
- [Present Law and Background Relating to Challenges in the Retirement System](#) (Joint Committee on Taxation, May 10, 2019)
- [S 972](#), RESA (Congress, April 1, 2019)

Mercer Law & Policy Resources

- [House Passes SECURE Act to Bolster Retirement Plans](#) (May 24, 2019)
- [Senate Reintroduces Expansive Retirement Bill](#) (May 20, 2019)
- [Retirement Bills Multiply in Congress](#) (April 15, 2019)
- [Bipartisan Retirement Reforms Pass Key House Panel](#) (April 3, 2019)
- [2019 Legislative and Regulatory Outlook for Employer-Sponsored Retirement Plans](#) (Feb. 5, 2019)

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