

## FEDERAL PROPOSALS FOR MANDATORY PROGRAMS TO CLOSE THE COVERAGE GAP

Recent federal proposals to close the coverage gap have focused on a broad solution, like a national auto-IRA program, but have failed to gain any significant traction (see Table 1).

TABLE 1. RECENT FEDERAL PROPOSALS TO CLOSE THE COVERAGE GAP

Year	Description	Outcome
2009-2016	<p>Auto-IRA</p> <p><a href="#">The President's budget</a> included a national auto-IRA plan, conceptually similar to those that several states have adopted.</p> <p>Employers with more than 10 workers and no retirement plan would be required to automatically enroll workers at a 3-percent contribution rate with workers allowed to opt out.</p> <p>USA Retirement Funds Act (<a href="#">S.1979</a>) (Sponsor: Senator Tom Harkin, D-IA)</p>	No action by Congress.
2014	<p>Employers with more than 10 workers and no plan would be required to either begin offering an auto-enrollment plan with a life-time income option or participate in the USA program. The USA program would automatically enroll workers at a 6-percent contribution rate, with workers allowed to opt out. Employers would be allowed to make a matching contribution. Self-employed workers would also be allowed to participate.</p> <p>Contributions would be invested in a commingled portfolio, so the individual would not make any investment decisions.</p> <p>Payments at retirement would be in the form of an annuity.</p>	Referred to Committee on Health, Education, Labor, and Pensions. No action.
2016	<p>SAVE UP Act (<a href="#">H.R.5731</a>) (Sponsor: Representative Joseph Crowley, D-NY)</p> <p>Employers with 10 or more workers and no plan would be required to auto-enroll workers in a retirement account at a 3-percent contribution rate (eventually increasing to 5 percent), with workers allowed to opt out.</p> <p>Employers would be required to contribute 50 cents per hour to this account, with this amount increasing with wage growth.</p>	Referred to Committee on Ways and Means. No action.
2017	<p>Automatic Retirement Plan Act of 2017 (<a href="#">H.R.4523</a>) (Sponsor: Representative Richard Neal, D-MA)</p> <p>Employers in operation for at least three years with more than 10 workers would be required to establish a 401(k) or 403(b) retirement plan. Workers would be automatically enrolled at a default contribution rate of 6 percent, with contributions automatically escalating by 1 percentage point per year up to 10 percent. Workers would be allowed to opt out.</p>	Referred to Committee on Ways and Means, and Committee on Education and the Workforce. No action.
2019	<p>Automatic IRA Act of 2019 (<a href="#">S.2370</a>) (Sponsor: Senator Sheldon Whitehouse, D-RI)</p> <p>This bill is broadly similar to other auto-IRA proposals and the state initiatives. It would require employers with more than 10 workers and without a plan to automatically enroll their workers at a contribution rate of 3 percent (or at a rate determined by the Secretary of the Treasury between 2 percent and 6 percent), with workers allowed to opt out.</p>	Referred to Committee on Finance. No action.

Source: CRR analysis of congressional legislation based on Congress.gov and other sources.