

ROUNDTABLE RETIREMENT PROPOSALS SUMMARY

A. Maximize Access to and Increase Personal Savings and Investments for All Americans

Allow employers greater flexibility to increase employee's default contributions over time.

Provide small business employers with increased tax incentives to encourage more coverage.

Increase Small Employer Pension Plan Start-up Cost Credit to 75% from 50% and reduce the tax on premature distributions from SIMPLE IRAs from 25% to 10%.

- **Expand small business and employee participation in DC plans.** Allow auto rollover from SIMPLE plans to IRAs and eliminate salary deferral distinctions for SIMPLEs and 401(k)s. Provide for a voluntary automatic IRA arrangement (auto-IRA) that is administered by the private-sector.
- **Include a small business representative on the ERISA Advisory Council.**

Increase financial planning and investment advice. Encourage financial literacy and education programs and help plan participants select investments that best fit their risk tolerance.

Greater investment diversification. Expand the age eligibility and relax the service requirement for investment diversification provisions within ESOP plans and other defined contribution plans requiring investment in employer stock.

B. Help Low-Income Households Close Their Savings Gap

Expand and improve the Saver's Credit to give low-income households greater incentives to save. Make the tax credit fully refundable; distribute "government match" directly into a retirement account; and increase the "match" to 50% for all eligible families.

C. Help All Americans Counter the Effects of the Market Conditions

Enhance Savings. Double the contribution amount to retirement accounts for the next five years.

Support employer's continuance of DB (Defined Benefit) plans during temporary downturns.

Provide more flexibility in changing DB funding methodology; greater use of asset smoothing; and longer time frame to amortize DB funding and other sponsors liabilities.

D. Help Retirees Minimize Post-Retirement Risk

Convert retirement saving into lifetime income. Encourage the utilization of insurance, annuities, and other savings products to help individuals better manage their retirement needs and risks by providing regulatory flexibility and tax incentives.

Help Americans willing to work longer to do so. Require the government to provide tax incentives for employer sponsor placement programs for older workers; allow retirees to continue to fund their 401(k) until age 70 ½ through pre-tax deferrals and eliminate penalties for social security recipients choosing to work.

Strengthen federal policies to increase incentives for employers to offer "employee benefit programs." These could include such items as the payment of long-term care and/or disability insurance premiums through cafeteria plans and/or Flexible Spending Accounts (FSA), Health Reimbursement Accounts (HRA), and Health Savings Accounts (HSA).

