

105TH CONGRESS
1ST SESSION

H. R. 1377

To amend title I of the Employee Retirement Income Security Act of 1974
to encourage retirement income savings.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. FAWELL (for himself, Mr. PAYNE, Mr. GOODLING, Mr. POMEROY, Mr. KNOLLENBERG, Mr. PETRI, Mr. FROST, Mr. CASTLE, Mr. TALENT, Mrs. ROUKEMA, Mr. BALLENGER, Mr. MARTINEZ, Mr. SAXTON, Mr. FATAH, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. MCKEON, Mr. UPTON, Mrs. KELLY, Mr. TOWNS, Mr. HILLIARD, Ms. NORTON, Mr. MCCOLLUM, Mr. CALVERT, Mr. WELLER, and Ms. WATERS) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend title I of the Employee Retirement Income
Security Act of 1974 to encourage retirement income savings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Savings Are Vital to
5 Everyone’s Retirement Act of 1997”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds as follows:

1 (1) The impending retirement of the baby boom
2 generation will severely strain our already overbur-
3 dened entitlement system, mandating increased reli-
4 ance on pension and other personal savings.

5 (2) A survey released this year by the Employee
6 Benefits Research Institute found that less than a
7 third of Americans have even tried to calculate how
8 much they will need to have saved by retirement,
9 and that less than 20 percent are very confident
10 they will have enough money to live comfortably
11 throughout their retirement.

12 (3) A leading obstacle to expanding retirement
13 savings is the simple fact that far too many Ameri-
14 cans—particularly the young—are either unaware
15 of, or without the knowledge and resources necessary
16 to take advantage of, the extensive benefits offered
17 by our retirement savings system.

18 (b) PURPOSE.—It is the purpose of this section—

19 (1) to advance the public’s knowledge and un-
20 derstanding of retirement savings and its critical im-
21 portance to the future well-being of American work-
22 ers and their families;

23 (2) to provide for a periodic, bipartisan national
24 retirement savings summit in conjunction with the

1 White House to elevate the issue of savings to na-
2 tional prominence; and

3 (3) to initiate the development of a broad-
4 based, public education program to encourage and
5 enhance individual commitment to a personal retire-
6 ment savings strategy.

7 **SEC. 3. OUTREACH BY THE DEPARTMENT OF LABOR.**

8 (a) IN GENERAL.—Part 5 of subtitle B of title I of
9 the Employee Retirement Income Security Act of 1974
10 (29 U.S.C. 1131 et seq.) is amended by adding at the end
11 the following new section:

12 “OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS

13 “SEC. 516. (a) IN GENERAL.—The Secretary shall
14 maintain an ongoing program of outreach to the public
15 designed to effectively promote retirement income savings
16 by the public.

17 “(b) METHODS.—The Secretary shall carry out the
18 requirements of subsection (a) by means which shall en-
19 sure effective communication to the public, including pub-
20 lication of public service announcements, public meetings,
21 creation of educational materials, and establishment of a
22 site on the Internet.

23 “(c) INFORMATION TO BE DISSEMINATED.—The in-
24 formation to be disseminated by the Secretary as part of
25 the program of outreach required under subsection (a)
26 shall include the following:

1 “(1) a description of the vehicles currently
2 available to individuals and employers for creating
3 and maintaining retirement income savings, specifi-
4 cally including information explaining to employers,
5 in simple terms, how to establish each of the dif-
6 ferent retirement savings vehicles for their workers,
7 and

8 “(2) information regarding matters relevant to
9 establishing retirement income savings, such as—

10 “(A) the forms of retirement income sav-
11 ings,

12 “(B) the concept of compound interest,

13 “(C) the importance of commencing sav-
14 ings early in life,

15 “(D) savings principles,

16 “(E) the importance of prudence and di-
17 versification in investing, and

18 “(F) the importance of the timing of in-
19 vestments.

20 “(d) ESTABLISHMENT OF SITE ON THE INTERNET.—

21 The Secretary shall establish a permanent site on the
22 Internet concerning retirement income savings. The site
23 shall contain at least the following information:

24 “(1) a means for individuals to calculate their
25 estimated retirement savings needs, based on their

1 financial goal as a percentage of their preretirement
2 income;

3 “(2) a thorough description of each type of re-
4 tirement income savings arrangement available to
5 both individuals and employers (specifically including
6 small employers), including information on the
7 amount of money that can be placed into a given ve-
8 hicle, the tax treatment of the money, and the
9 amount of accumulation possible through different
10 investment options and interest rate projections;

11 “(3) materials explaining to employers in simple
12 terms how to establish different retirement savings
13 arrangements for their workers and what the legal
14 requirements are under this Act, the Internal Reve-
15 nue Code of 1986, and related provisions of law;

16 “(4) copies of all educational materials devel-
17 oped by the Department of Labor, and by other
18 Federal agencies in consultation with such Depart-
19 ment, to promote retirement income savings by
20 workers and employers; and

21 “(5) links to other sites maintained on the
22 Internet by governmental agencies and nonprofit or-
23 ganizations that provide additional detail on retire-
24 ment income savings arrangements and related top-
25 ics on savings or investing.

1 “(e) COORDINATION.—The Secretary shall coordinate
2 the outreach program under this section with similar ef-
3 forts undertaken by other public and private entities.”.

4 (b) CONFORMING AMENDMENT.—The table of con-
5 tents in section 1 of such Act is amended by inserting
6 after the item relating to section 514 the following new
7 items:

“Sec. 515. Delinquent contributions.

“Sec. 516. Outreach to promote retirement income savings.”.

8 **SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAVINGS.**

9 (a) IN GENERAL.—Part 5 of subtitle B of title I of
10 the Employee Retirement Income Security Act of 1974 (as
11 amended by section 3 of this Act) is amended further by
12 adding at the end the following new section:

13 “NATIONAL SUMMIT ON RETIREMENT SAVINGS

14 “SEC. 517. (a) AUTHORITY TO CALL SUMMIT.—Not
15 later than April 15, 1998, the President shall convene a
16 National Summit on Retirement Income Savings at the
17 White House, to be hosted by the President with the bi-
18 partisan support of both Houses of the Congress. Such
19 a National Summit shall be convened thereafter in 2001
20 and every 4 years thereafter on or after September 1 of
21 each year involved. Such a National Summit shall—

22 “(1) advance the public’s knowledge and under-
23 standing of retirement savings and its critical impor-

1 tance to the future well-being of American workers
2 and their families;

3 “(2) facilitate the development of a broad-
4 based, public education program to encourage and
5 enhance individual commitment to a personal retire-
6 ment savings strategy;

7 “(3) develop recommendations for additional re-
8 search and public policy recommendations and ac-
9 tions in the field of retirement income savings; and

10 “(4) disseminate the report of, and information
11 obtained by, the National Summit and exhibit mate-
12 rials and works of the National Summit.

13 “(b) PLANNING AND DIRECTION.—The National
14 Summit shall be planned and conducted under the direc-
15 tion of the Secretary, in consultation with, and with the
16 assistance of, the heads of such other Federal departments
17 and agencies as the President may designate. Such assist-
18 ance may include the assignment of personnel. The Sec-
19 retary shall, in planning and conducting the National
20 Summit, consult with the congressional leaders specified
21 in subsection (e)(2). The Secretary shall also, in carrying
22 out the Secretary’s duties under this subsection, consult
23 and coordinate with at least one organization made up of
24 private sector businesses and associations partnered with
25 Government entities to promote long-term financial secu-

1 rity in retirement through savings (including for 1998,
2 and thereafter as the Secretary may deem appropriate, the
3 American Savings Education Council).

4 “(c) PURPOSE OF NATIONAL SUMMIT.—The purpose
5 of the National Summit shall be to—

6 “(1) increase the public awareness of the value
7 of personal savings for retirement;

8 “(2) advance the public’s knowledge and under-
9 standing of retirement savings and its critical impor-
10 tance to the future well-being of American workers
11 and their families;

12 “(3) facilitate the development of a broad-
13 based, public education program to encourage and
14 enhance individual commitment to a personal retire-
15 ment savings strategy;

16 “(4) identify the problems which hinder workers
17 from setting aside adequate savings for retirement;

18 “(5) identify the barriers which impede employ-
19 ers, especially small employers, from assisting work-
20 ers in accumulating retirement savings;

21 “(6) examine the impact and effectiveness of in-
22 dividual employers to promote personal savings for
23 retirement among their workers and to promote par-
24 ticipation in company savings options;

1 “(7) examine the impact and effectiveness of
2 government programs at the Federal, State, and
3 local level to promote retirement income savings;

4 “(8) develop such specific and comprehensive
5 recommendations for the legislative and executive
6 branches of the Government and for private sector
7 action as may be appropriate for promoting retire-
8 ment income savings among American workers; and

9 “(9) develop recommendations for the coordina-
10 tion of Federal, State, and local policy and needs
11 with each other and with the efforts of the private
12 sector and to identify the appropriate authority and
13 entities to implement such recommendations.

14 “(d) SCOPE OF NATIONAL SUMMIT.—The scope of
15 the National Summit shall consist of issues relating to in-
16 dividual and employer-based retirement savings and shall
17 not include issues relating to the old-age, survivors, and
18 disability insurance program under title II of the Social
19 Security Act.

20 “(e) NATIONAL SUMMIT PARTICIPANTS.—

21 “(1) IN GENERAL.—To carry out the purposes
22 of the National Summit, the National Summit shall
23 bring together—

1 “(A) professionals and other individuals
2 working in the fields of employee benefits and
3 retirement savings;

4 “(B) Members of Congress and officials in
5 the executive branch;

6 “(C) representatives of State and local
7 governments;

8 “(D) representatives of private sector insti-
9 tutions, including individual employers, con-
10 cerned about promoting the issue of retirement
11 savings and facilitating savings among Amer-
12 ican workers; and

13 “(E) representatives of the general public.

14 “(2) STATUTORILY REQUIRED PARTICIPA-
15 TION.—The participants in the National Summit
16 shall include the following individuals or their des-
17 ignees:

18 “(A) the Speaker and the Minority Leader
19 of the House of Representatives;

20 “(B) the Majority Leader and the Minority
21 Leader of the Senate;

22 “(C) the Chairman and ranking Member of
23 the Committee on Education and the Workforce
24 of the House of Representatives;

1 “(D) the Chairman and ranking Member
2 of the Committee on Labor and Human Re-
3 sources of the Senate; and

4 “(E) the parties referred to in subsection
5 (b).

6 “(3) ADDITIONAL PARTICIPANTS.—Of the re-
7 maining participants—

8 “(A) one-fourth shall be appointed by the
9 Speaker of the House of Representatives;

10 “(B) one-fourth shall be appointed by the
11 Minority Leader of the House of Representa-
12 tives;

13 “(C) one-fourth shall be appointed by the
14 Majority Leader of the Senate; and

15 “(D) one-fourth shall be appointed by the
16 Minority Leader of the Senate.

17 Such remaining participants shall be selected with-
18 out regard to political affiliation or past partisan ac-
19 tivity and shall be representative of the diversity of
20 thought in the fields of employee benefits and retire-
21 ment income savings.

22 “(4) PRESIDING OFFICERS.—The National
23 Summit shall be presided over equally by representa-
24 tives of the executive and legislative branches.

25 “(f) NATIONAL SUMMIT ADMINISTRATION.—

1 “(1) ADMINISTRATION.—In administering this
2 section, the Secretary shall—

3 “(A) request the cooperation and assist-
4 ance of such other Federal departments and
5 agencies and other parties referred to in sub-
6 section (b) as may be appropriate in the carry-
7 ing out of this section;

8 “(B) furnish all reasonable assistance, in-
9 cluding financial assistance, to State agencies,
10 area agencies, and other appropriate organiza-
11 tions to enable them to organize and conduct
12 conferences in conjunction with the National
13 Summit;

14 “(C) make available for public comment a
15 proposed agenda for the National Summit that
16 reflects to the greatest extent possible the pur-
17 poses for the National Summit set out in this
18 section;

19 “(D) prepare and make available back-
20 ground materials for the use of participants in
21 the National Summit that the Secretary consid-
22 ers necessary; and

23 “(E) appoint and fix the pay of such addi-
24 tional personnel as may be necessary to carry
25 out the provisions of this section without regard

1 to provisions of title 5, United States Code,
2 governing appointments in the competitive serv-
3 ice, and without regard to chapter 51 and sub-
4 chapter III of chapter 53 of such title relating
5 to classification and General Schedule pay
6 rates.

7 “(2) DUTIES.—The Secretary shall, in carrying
8 out the responsibilities and functions of the Sec-
9 retary under this section, and as part of the Na-
10 tional Summit, ensure that—

11 “(A) the National Summit shall be con-
12 ducted in a manner that ensures broad partici-
13 pation of Federal, State, and local agencies and
14 private organizations, professionals, and others
15 involved in retirement income savings and pro-
16 vides a strong basis for assistance to be pro-
17 vided under paragraph (1)(B);

18 “(B) the agenda prepared under paragraph
19 (1)(C) for the National Summit is published in
20 the Federal Register; and

21 “(C) the personnel appointed under para-
22 graph (1)(E) shall be fairly balanced in terms
23 of points of views represented and shall be ap-
24 pointed without regard to political affiliation or
25 previous partisan activities.

1 “(g) REPORT.—The Secretary shall prepare a report
2 describing the activities of the National Summit and shall
3 submit the report to the President, the Speaker and Mi-
4 nority Leader of the House of Representatives, the Major-
5 ity and Minority Leaders of the Senate, and the chief execu-
6 tive officers of the States not later than 90 days after
7 the date on which the National Summit is adjourned.

8 “(h) DEFINITION.—For purposes of this section, the
9 term ‘State’ means a State, the District of Columbia, the
10 Commonwealth of Puerto Rico, the Commonwealth of the
11 Northern Mariana Islands, Guam, the Virgin Islands,
12 American Samoa, and any other territory or possession
13 of the United States.

14 “(i) AUTHORIZATION OF APPROPRIATIONS.—

15 “(1) IN GENERAL.—There is authorized to be
16 appropriated for fiscal years beginning on or after
17 October 1, 1997, such sums as are necessary to
18 carry out this section.

19 “(2) RELIANCE ON PRIVATE CONTRIBUTIONS.—

20 The Secretary may accept private contributions, in
21 the form of money, supplies, or services, to defray
22 the costs of the National Summit. The Secretary
23 shall ensure, to the extent practicable, that at least
24 one-half of the funds available to the Secretary for

1 each fiscal year to carry out the provisions of this
2 section consist of such private contributions.

3 “(j) CONTRACTS.—The Secretary may enter into con-
4 tracts to carry out the Secretary’s responsibilities under
5 this section, but only to the extent, or in such amounts,
6 as are provided in advance in appropriations Acts.”.

7 (b) CONFORMING AMENDMENT.—The table of con-
8 tents in section 1 of such Act (as amended by section 3
9 of this Act) is amended further by inserting after the item
10 relating to section 516 the following new item:

“Sec. 517. National Summit on Retirement Savings.”.

11 (c) AUTHORIZATIONS OF APPROPRIATIONS FOR FIS-
12 CAL YEAR 1998.—

13 (1) IN GENERAL.—Notwithstanding subsection
14 (i) of section 517 of the Employee Retirement In-
15 come Security Act of 1974 (added by this section),
16 the amount authorized to be appropriated for fiscal
17 year 1998 to carry out such section is an amount
18 equal to \$500,000.

19 (2) APPORTIONMENT OF AUTHORIZATION OF
20 APPROPRIATIONS FOR EDUCATION FOR FISCAL YEAR
21 1998.—In addition, of amounts otherwise authorized
22 to be appropriated to the Department of Labor for
23 education for fiscal year 1998, \$500,000 is author-

1 ized to be appropriated to the Department to carry
2 out such section 517.

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