

Washington Reports



Wednesday, April 19, 2017

17.04.19

President Trump Signs Resolution Eliminating Safe Harbor Exemption for “State Auto-IRAs” Run by Local Governments

So-called “state auto-IRAs” allow employees to contribute to an IRA program run by a state or local government with automatic payroll deductions that are made and submitted to the program by the employer. Recent Dept. of Labor (DOL) regulations provided safe harbor rules that could be followed to exempt state auto-IRAs from ERISA requirements. These safe harbor ERISA exemptions did not apply to private auto-IRA programs. On April 13, 2017, President Trump signed a resolution invalidating these DOL regulations with regard to auto-IRA programs run by local governments. Another House resolution that would eliminate similar safe harbors for auto-IRAs run by states is still pending passage by the Senate. See H.J. Res. 67.

H. J. Res. 67

One Hundred Fifteenth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the third day of January, two thousand and seventeen*

Joint Resolution

Disapproving the rule submitted by the Department of Labor relating to savings arrangements established by qualified State political subdivisions for non-governmental employees.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the rule submitted by the Department of Labor relating to "Savings Arrangements Established by Qualified State Political Subdivisions for Non-Governmental Employees" (published at 81 Fed. Reg. 92639 (December 20, 2016)), and such rule shall have no force or effect.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*