



GREAT LEADERS START OUT
AS GREAT FOLLOWERS

#AALUStakeholders



May 17, 2019



We learned yesterday that the full House of Representatives will vote on the SECURE Act (H.R. 1994) next week. AALU's Capitol Hill Club Day during TRANSFORM 2019 played a key role in driving this legislation forward.



Ambassadors in Action



Sen. Scott and John Watson



Sen. Cornyn and Bob Carter

During TRANSFORM 2019, Ambassadors met with Sens. Tim Scott (R-SC) and John Cornyn (R-TX). Senator Scott joined John Watson and Penn Mutual colleagues for dinner to discuss retirement policy. Bob Carter and Lion Street colleagues hosted a

briefing with Senator Cornyn to discuss the state of affairs in D.C. and the upcoming 2020 election.

[Click here to read about both events](#)

Interested in learning more about how to develop your own Ambassador relationship with a member of Congress? Reach out to [Josh Caron](mailto:caron@aalu.org) (caron@aalu.org) for more information.

No Zombie DOL Fiduciary Rule

You may have seen some overheated headlines about a new DOL fiduciary rule last week.

During recent testimony before Congress, Labor Secretary Alexander Acosta stated that DOL would propose a new regulation regarding ERISA fiduciary advice after it has had a chance to review the SEC's upcoming final Regulation Best Interest (Reg BI).

Through multiple sources, we understand that the intent of the Department is to bring their regulatory framework in line with what the SEC will propose. We do know that Chairman Clayton and Secretary Acosta have been working together for some time.

We will be closely following these developments. AALU will provide additional updates as more information becomes available.

AALU Comments on Proposed Transfer for Value Regulation

On May 9th, AALU submitted comments to the Treasury Department and the IRS regarding the effective dates of their proposed regulations on Reportable Policy Sales and the Transfer for Value issue that is critical for the COLI/BOLI marketplace.

AALU will continue to monitor the situation and engage with regulators to secure positive results for our members.

[Read the Comment Letter](#)

[Read AALU's Analysis of the Proposed Regulations](#)

[Click Here for a Client Piece on the Proposed TFV Reg](#)

Retirement Help for Individuals with Student Loan Debt

Student loan debt is a real barrier to retirement savings. Total student loan debt in America is estimated at \$1.5 trillion, spread out over 44 million borrowers. Research shows that millennials who have never taken out student loans have saved twice as much for retirement by age 30 compared to college graduates who carry a debt load. The problem is not limited to young workers. Americans over 60 currently shoulder about \$86 million in student loan debt.

Both Congress and the IRS are looking to address the issue by allowing employers to make matching contributions to a retirement account for employees who pay their loans.

[Read More](#)

While You Were Out...



AALU Member Mark Kull met with Representative John Yarmuth (D-KY). Chairman Yarmuth was familiar with the profession, but Mark explained the value of the work you do, serving your clients and communities. Interested in meeting with your local policymaker? Contact [Josh Caron \(caron@aalu.org\)](mailto:caron@aalu.org) for more information.

Pictured: Rep. Yarmuth (left) and Mark Kull (right)

Heard on the Hill

Retirement

Senate Finance Committee Chairman Chuck Grassley (R-IA) and **Ranking Member Ron Wyden** talked passionately about the pending retirement security legislation [RESA/SECURE] during a hearing on retirement policy Tuesday. **Sen. Wyden** summed up the feelings of many Senators, saying it should have become law “eons ago.” A previous version of the bill passed through Senate Finance unanimously in 2016.

Senate / Finance Committee / 5-14 / Challenges in the Retirement System

When talking about solutions to the coverage gap in retirement plans, **Rep. Scott Peters (D-CA)** asked witnesses in a House Budget Committee hearing for the best available solutions to the problem. **Andrew Biggs, resident scholar at the American Enterprise Institute**, identified requiring plan autoenrollment for employees under the poverty line. The practice would automatically enroll eligible employees into 401(k) plans, with opt-outs available. Autoenrollment has been shown to increase employee retirement savings. Encouraging autoenrollment is a key feature of both the **SECURE Act** and **RESA**.

House / Budget Committee / 5-15 / Keeping Our Promise to America's Seniors:
Retirement Security in the 21st Century

Data privacy

Rep. Brett Guthrie asked witnesses about how the European Union's data privacy law, the General Data Protection Regulation (GDPR), is affecting small businesses at a House Energy and Commerce, Consumer Protection, and Commerce Subcommittee hearing. **FTC Chair Chairman Joseph J. Simmons** said that there is a high level of friction that is unfavorable to small businesses and **FTC Commissioner Rohit Chopra** added that the EU is seeing a slowdown in small and new business formation, in part due to high compliance costs associated with GDPR. In her opening statement, **Subcommittee Ranking Member Cathy McMorris Rodgers (R-WA)** pointed out that investment startups in Europe are down 40%, and thousands of U.S. firms are no longer operating in the E.U. because they cannot take on the compliance costs. GDPR, along with the California Consumer Privacy Act (CCPA) are injecting renewed vigor to these debates in Congress.

House / Energy and Commerce Committee, Consumer Protection and Commerce
Subcommittee / 5-10 / Oversight of the FTC: Strengthening Protections for Americans'
Privacy and Data Security

Portman & Cardin Introduce Next Phase Retirement Bill

Senators Rob Portman (R-OH) and Ben Cardin (D-MD), both longtime friends to AALU and champions of retirement policy, reintroduced [their bill](#) to tackle America's retirement savings crisis. They have been working together on this product for several years, and many view it as a sequel to RESA and SECURE.

AALU is reviewing the legislation and conferring with industry partners. Stay tuned to Decoding D.C. for a more in depth look at **The Retirement Security & Savings Act (S. 1431)**.

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Our mailing address is:

AALU

11921 Freedom Dr Ste 1100

Reston, VA 20190-5634