

JOINT COMMITTEE ON TAXATION
March 28, 2022
JCX-3-22

**ESTIMATED REVENUE EFFECTS OF H.R. 2954, AS AMENDED,
THE "SECURING A STRONG RETIREMENT ACT OF 2022,"
SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON MARCH 29, 2022**

Fiscal Years 2022 - 2031

[Millions of Dollars]

Provision	Effective	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-26	2022-31
I. Expanding Coverage and Increasing Retirement Savings													
1. Expanding automatic enrollment in retirement plans [1].....	pyba 12/31/23	---	---	-470	-606	-660	-681	-685	-690	-696	-703	-1,735	-5,191
2. Modification of credit for small employer pension plan startup costs.....	tyba 12/31/22	---	-40	-135	-241	-323	-370	-389	-397	-402	-405	-739	-2,702
3. Promotion of Saver's credit.....	DOE	---	-7	-15	-23	-32	-42	-53	-65	-78	-93	-77	-409
4. Enhancement of Saver's credit.....	tyba 12/31/26	---	---	---	---	---	---	-1,879	-1,915	-1,896	-1,870	---	-7,560
5. Enhancement of 403(b) plans.....	aia 12/31/22	----- Negligible Revenue Effect -----											
6. Increase in age for required beginning date for mandatory distributions.....	[2]	---	-654	-769	-764	-849	-876	-870	-853	-1,943	-2,021	-3,036	-9,597
7. Indexing IRA catch-up limit.....	tyba 12/31/23	---	---	---	-14	-18	-18	-18	-39	-36	-35	-32	-178
8. Higher catch-up limit to apply at age 62, 63, and 64.....	tyba 12/31/23	---	---	-9	-23	-40	-58	-76	-95	-114	-135	-72	-550
9. Pooled employer plans modification.....	pyba 12/31/22	----- Negligible Revenue Effect -----											
10. Multiple employer 403(b) plans.....	pyba 12/31/22	---	-4	-7	-9	-14	-18	-22	-27	-31	-37	-34	-169
11. Treatment of student loan payments as elective deferrals for purposes of matching contributions [3].....	cmf pyba 12/31/22	---	-66	-107	-146	-211	-239	-253	-269	-281	-292	-530	-1,864
12. Application of credit for small employer pension plan startup costs to employers which join an existing plan.....	[4]	[5]	-5	-11	-17	-21	-24	-27	-29	-31	-34	-54	-200
13. Military spouse retirement plan eligibility credit for small employers [6].....	tyba DOE	---	-18	-18	-19	-21	-22	-23	-24	-24	-25	-76	-194
14. Small immediate financial incentives for contributing to a plan.....	pyba DOE	----- Negligible Revenue Effect -----											
15. Safe harbor for corrections of employee elective deferral failures.....	[7]	31	53	55	58	60	62	64	66	68	71	257	588
16. Improving coverage for part-time workers [8].....	[9]	-2	-10	-13	-15	-20	-25	-27	-30	-33	-37	-61	-213
17. Deferral of tax for certain sales of employer stock to employee stock ownership plan sponsored by S corporation.....	sa 12/31/27	---	---	---	---	---	---	-142	-308	-440	-613	---	-1,504
18. Certain securities treated as publicly traded in case of employee stock ownership plans.....	pyba 12/31/27	---	---	---	---	---	---	-61	-173	-283	-409	---	-926
Total of Expanding Coverage and Increasing Retirement Savings.....		29	-750	-1,499	-1,819	-2,150	-2,310	-4,461	-4,848	-6,222	-6,639	-6,188	-30,669

Provision	Effective	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-26	2022-31
II. Preservation of Income													
1. Remove required minimum distribution barriers for life annuities.....	cyea DOE	-37	-108	-151	-169	-183	-158	-103	41	294	603	-648	29
2. Qualifying longevity annuity contracts.....	[10]	-3	-1	-3	-5	-10	-7	-1	-10	-8	-12	-22	-60
3. Insurance-dedicated exchange-traded funds.....	[11]	---	---	---	---	---	---	---	-71	-167	-283	---	-521
Total of Preservation of Income.....		-40	-109	-155	-173	-193	-165	-104	-40	120	308	-670	-552
III. Simplification and Clarification of Retirement Plan Rules													
1. Recovery of retirement plan overpayments.....	DOE	130	110	50	10	50	20	-30	-70	-80	-90	350	100
2. Reduction in excise tax on certain accumulations in qualified retirement plans.....	tyba 12/31/22	---	-7	-8	-8	-8	-8	-9	-9	-9	-9	-31	-75
3. Performance benchmarks for asset allocation funds.....	DOE	----- Negligible Revenue Effect -----											
4. Review and report to Congress relating to reporting and disclosure requirements.....	DOE	----- Negligible Revenue Effect -----											
5. Eliminating unnecessary plan requirements related to unenrolled participants.....	pyba 12/31/22	----- Negligible Revenue Effect -----											
6. Retirement savings lost and found [13].....	DOE	---	---	[12]	1	1	2	3	5	7	10	2	29
7. Updating dollar limit for mandatory distributions.....	dma 12/31/22	----- Negligible Revenue Effect -----											
8. Expansion of Employee Plans Compliance Resolution System [14].....	DOE	-3	-5	-5	-5	-6	-6	-6	-6	-6	-6	-25	-55
9. Eliminate the “first day of the month” requirement for governmental section 457(b) plans.....	tyba DOE	----- Negligible Revenue Effect -----											
10. One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable distribution limitation.....	dmi tyea DOE	-213	-880	-492	-119	-65	-61	-57	-53	-48	-43	-1,769	-2,031
11. Distributions to firefighters.....	dma 12/31/22	---	[12]	[12]	[12]	[12]	[12]	[5]	[5]	[5]	-1	[5]	-1
12. Exclusion of certain disability-related first responder retirement payments.....	arwrt tyba 12/31/27	---	---	---	---	---	---	-340	-545	-579	-615	---	-2,079
13. Individual retirement plan statute of limitations for excise tax on excess contributions and certain accumulations.....	DOE	-2	-2	-3	-2	-2	-2	-2	-2	-2	-2	-11	-21
14. Requirement to provide paper statements in certain cases.....	pyba 12/31/23	----- Negligible Revenue Effect -----											
15. Separate application of top heavy rules to defined contribution plans covering excludible employees.....	pyba DOE	19	31	33	35	37	40	43	45	49	52	156	384
16. Repayment of qualified birth or adoption distribution limited to 3 years.....	[15]	----- Negligible Revenue Effect -----											
17. Employer may rely on employee certifying that deemed hardship distribution conditions are met.....	pyba 12/31/22	---	21	31	35	42	44	45	39	31	21	130	309
18. Penalty-free withdrawals from retirement plans for individuals in case of domestic abuse.....	dma DOE	-5	-8	-8	-8	-7	-7	-7	-6	-6	-6	-37	-69
19. Reform of family attribution rule [16].....	pybo/a DOE	-4	-33	-50	-68	-94	-117	-137	-157	-175	-194	-249	-1,030
20. Amendments to increase benefit accruals under plan for previous plan year allowed until employer tax return due date.....	pyba 12/31/23	----- Negligible Revenue Effect -----											

Provision	Effective	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-26	2022-31
21. Retroactive first year elective deferrals for sole proprietors.....	pyba DOE	----- Negligible Revenue Effect -----											
22. Limiting cessation of IRA treatment to portion of account involved in a prohibited transaction.....	tyba DOE	-1	-3	-3	-3	-3	-4	-4	-4	-4	-4	-13	-33
23. Review of pension risk transfer interpretive bulletin.....	DOE	----- Negligible Revenue Effect -----											
Total of Simplification and Clarification of Retirement Plan Rules.....		-79	-776	-454	-132	-57	-99	-501	-762	-824	-888	-1,498	-4,572
IV. Technical Amendments.....	[17]	----- Negligible Revenue Effect -----											
V. Administrative Provisions.....	DOE	----- Negligible Revenue Effect -----											
VI. Revenue Provisions													
1. Simple and SEP Roth IRAs.....	tyba 12/31/22	---	17	32	45	62	75	92	111	136	157	156	727
2. Hardship withdrawal rules for 403(b) plans.....	pyba 12/31/22	---	9	22	35	45	56	68	72	75	76	110	458
3. Elective deferrals generally limited to regular contribution limit.....	tyba 12/31/22	---	2,379	3,094	2,914	3,078	2,976	2,335	2,003	1,890	1,689	11,465	22,358
4. Optional treatment of employer matching contributions as Roth contributions.....	cma DOE	---	516	928	1,412	1,917	2,083	1,666	1,912	1,147	762	4,773	12,343
Total of Revenue Provisions.....		---	2,921	4,076	4,406	5,102	5,190	4,161	4,098	3,248	2,684	16,504	35,886
NET TOTAL		-91	1,287	1,968	2,281	2,703	2,616	-905	-1,553	-3,678	-4,534	8,148	93

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be May 1, 2022. Revenue provisions as submitted in draft SJP_046.

Legend for "Effective" column:

aia = amounts invested after

arwrt = amounts received with respect to

cma = contributions made after

cmf = contributions made for

cyea = calendar years ending after

dma = distributions made after

dmi = distributions made in

DOE = date of enactment

pyba = plan years beginning after

pybo/a = plan years beginning on or after

sa = sales after

tyba = taxable years beginning after

[1] Estimate includes the following budget effects:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-26	2022-31
Total Revenue Effect.....	---	---	-470	-606	-660	-681	-685	-690	-696	-703	-1,735	-5,191
On-budget effects.....	---	---	-429	-552	-607	-629	-635	-641	-648	-656	-1,589	-4,797
Off-budget effects.....	---	---	-40	-53	-52	-51	-51	-50	-49	-48	-146	-394

[2] Effective for distributions made after December 31, 2022 with respect to individuals who attain age 72 after such date.

[3] Estimate includes the following budget effects:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-26	2022-31
Total Revenue Effect.....	---	-66	-107	-146	-211	-239	-253	-269	-281	-292	-530	-1,864
On-budget effects.....	---	-52	-84	-114	-169	-192	-203	-216	-226	-235	-419	-1,491
Off-budget effects.....	---	-14	-23	-32	-42	-47	-50	-53	-55	-57	-111	-373

[Footnotes for JCX-3-22 continue on the following page]

Footnotes for JCX-3-22 continued:

[4] Effective as if included in the enactment of section 104 of the SECURE Act of 2019.

[5] Loss of less than \$500,000.

[6] Estimate includes the following budget effects:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2022-26</u>	<u>2022-31</u>
Total Revenue Effect.....	---	-18	-18	-19	-21	-22	-23	-24	-24	-25	-76	-194
On-budget effects.....	---	-17	-17	-18	-20	-21	-22	-23	-23	-24	-72	-185
Off-budget effects.....	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9

[7] Effective with respect to any errors with respect to which the date referred to in section 414(aa) (as added by this section) is after the date of enactment of this Act.

[8] Estimate includes the following budget effects:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2022-26</u>	<u>2022-31</u>
Total Revenue Effect.....	-2	-10	-13	-15	-20	-25	-27	-30	-33	-37	-61	-213
On-budget effects.....	-2	-9	-12	-14	-18	-22	-25	-27	-30	-33	-55	-193
Off-budget effects.....	---	-1	-1	-1	-2	-2	-3	-3	-3	-4	-5	-20

[9] Generally effective for plan years beginning after December 31, 2022. Subsection (d) effective as if included in the enactment of section 112 of the SECURE Act of 2019.

[10] Paragraph (1) of subsection (a) is effective with respect to contracts purchased or received in an exchange on or after the date of the enactment of this Act. Paragraphs (2) and (3) of subsection (a) are effective with respect to contracts purchased or received in an exchange on or after July 2, 2014.

[11] Subsection (a) of section 203 of the Act is effective on the date of enactment. Subsections (b) and (c) of section 203 of the Act are applicable to segregated asset account investments made on or after the date that is 7 years after the date of the enactment of the Act.

[12] Gain of less than \$500,000.

[13] Estimate does not include spending effects estimated by the Congressional Budget Office.

[14] Estimate includes the following budget effects:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2022-26</u>	<u>2022-31</u>
Total Revenue Effect.....	---	-4	-7	-9	-14	-18	-22	-27	-31	-37	-34	-169
On-budget effects.....	---	-4	-6	-8	-13	-16	-20	-24	-28	-33	-31	-152
Off-budget effects.....	---	---	-1	-1	-1	-2	-2	-3	-3	-4	-3	-17

[15] Effective as if included in the enactment of Section 113 of the SECURE Act of 2019.

[16] Estimate includes the following budget effects:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2022-26</u>	<u>2022-31</u>
Total Revenue Effect.....	-4	-33	-50	-68	-94	-117	-137	-157	-175	-194	-249	-1,030
On-budget effects.....	-3	-28	-42	-58	-81	-101	-118	-134	-149	-163	-213	-877
Off-budget effects.....	-1	-5	-7	-10	-13	-16	-20	-23	-27	-31	-36	-152

[17] Subsection (a) is effective as if included in the section of the SECURE Act of 2019 to which the amendment relates. Subsection (b) is effective on date of enactment.