

105TH CONGRESS  
1ST SESSION

# S. 757

To amend the Employee Retirement Savings Act of 1974 to promote retirement income savings through the establishment of an outreach program in the Department of Labor and periodic National Summits on Retirement Savings.

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## IN THE SENATE OF THE UNITED STATES

MAY 16, 1997

Mr. GRASSLEY (for himself and Mr. BREAUX) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To amend the Employee Retirement Savings Act of 1974 to promote retirement income savings through the establishment of an outreach program in the Department of Labor and periodic National Summits on Retirement 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:

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

5           (2) Studies have found that less than a third of  
6           Americans have even tried to calculate how much  
7           they will need to have saved by retirement, and that  
8           less than 20 percent are very confident they will  
9           have enough money to live comfortably throughout  
10          their retirement.

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

17          (b) PURPOSE.—It is the purpose of this Act—

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

22               (2) to provide for a periodic, bipartisan national  
23               retirement savings summit in conjunction with the  
24               White House to elevate the issue of savings to na-  
25               tional prominence; and

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

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

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

10   “OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS

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

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

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

25           “(1) a description of the vehicles currently  
26       available to individuals and employers for creating

1 and maintaining retirement income savings, specifi-  
2 cally including information explaining to employers,  
3 in simple terms, how to establish each of the dif-  
4 ferent retirement savings vehicles for their workers,  
5 and

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

8 “(A) the forms of retirement income sav-  
9 ings,

10 “(B) the concept of compound interest,

11 “(C) the importance of commencing sav-  
12 ings early in life,

13 “(D) savings principles,

14 “(E) the importance of prudence and di-  
15 versification in investing,

16 “(F) the importance of the timing of in-  
17 vestments, and

18 “(G) the impact on retirement savings of  
19 life’s uncertainties, such as living beyond one’s  
20 life expectancy.

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

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

1           “(1) a means for individuals to calculate their  
2           estimated retirement savings needs, based on their  
3           retirement income goal as a percentage of their pre-  
4           retirement income;

5           “(2) a description in simple terms of the com-  
6           mon types of retirement income savings arrange-  
7           ments available to both individuals and employers  
8           (specifically including small employers), including in-  
9           formation on the amount of money that can be  
10          placed into a given vehicle, the tax treatment of the  
11          money, the amount of accumulation possible through  
12          different typical investment options and interest rate  
13          projections, and a directory of resources of more de-  
14          scriptive information;

15          “(3) materials explaining to employers in simple  
16          terms how to establish and maintain different retire-  
17          ment savings arrangements for their workers and  
18          what the basic legal requirements are under this Act  
19          and the Internal Revenue Code of 1986;

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

1 “(5) links to other sites maintained on the  
 2 Internet by governmental agencies and nonprofit or-  
 3 ganizations that provide additional detail on retire-  
 4 ment income savings arrangements and related top-  
 5 ics on savings or investing.

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

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

“Sec. 515. Delinquent contributions.

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

#### 13 **SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAVINGS.**

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

18 “NATIONAL SUMMIT ON RETIREMENT SAVINGS

19 “SEC. 517. (a) AUTHORITY TO CALL SUMMIT.—Not  
 20 later than June 1, 1998, the President shall convene a  
 21 National Summit on Retirement Income Savings at the  
 22 White House, to be co-hosted by the President and the  
 23 Speaker and the Minority Leader of the House of Rep-  
 24 resentatives and the Majority Leader and Minority Leader

1 of the Senate. Such a National Summit shall be convened  
 2 thereafter in 2001 and 2005 on or after September 1 of  
 3 each year involved. Such a National Summit shall—

4 “(1) advance the public’s knowledge and under-  
 5 standing of retirement savings and its critical impor-  
 6 tance to the future well-being of American workers  
 7 and their families;

8 “(2) facilitate the development of a broad-  
 9 based, public education program to encourage and  
 10 enhance individual commitment to a personal retire-  
 11 ment savings strategy;

12 “(3) develop recommendations for additional re-  
 13 search, reforms in public policy, and actions in the  
 14 field of retirement income savings; and

15 “(4) disseminate the report of, and information  
 16 obtained by, the National Summit and exhibit mate-  
 17 rials and works of the National Summit.

18 “(b) PLANNING AND DIRECTION.—The National  
 19 Summit shall be planned and conducted under the direc-  
 20 tion of the Secretary, in consultation with, and with the  
 21 assistance of, the heads of such other Federal departments  
 22 and agencies as the President may designate. Such assist-  
 23 ance may include the assignment of personnel. The Sec-  
 24 retary shall, in planning and conducting the National  
 25 Summit, consult with the congressional leaders specified

1 in subsection (e)(2). The Secretary shall also, in carrying  
2 out the Secretary's duties under this subsection, consult  
3 and coordinate with at least one organization made up of  
4 private sector businesses and associations partnered with  
5 Government entities to promote long-term financial secu-  
6 rity in retirement through savings (including for 1998,  
7 and thereafter as the Secretary may deem appropriate, the  
8 American Savings Education Council).

9 “(c) PURPOSE OF NATIONAL SUMMIT.—The purpose  
10 of the National Summit shall be—

11 “(1) to increase the public awareness of the  
12 value of personal savings for retirement;

13 “(2) to advance the public's knowledge and un-  
14 derstanding of retirement savings and its critical im-  
15 portance to the future well-being of American work-  
16 ers and their families;

17 “(3) to facilitate the development of a broad-  
18 based, public education program to encourage and  
19 enhance individual commitment to a personal retire-  
20 ment savings strategy;

21 “(4) to identify the problems which hinder  
22 workers from setting aside adequate savings for re-  
23 tirement;



1           “(5) to identify the barriers which impede em-  
2           ployers, especially small employers, from assisting  
3           workers in accumulating retirement savings;

4           “(6) to examine the impact and effectiveness of  
5           individual employers to promote personal savings for  
6           retirement among their workers and to promote par-  
7           ticipation in company savings options;

8           “(7) to examine the impact and effectiveness of  
9           government programs at the Federal, State, and  
10          local levels to promote retirement income savings;

11          “(8) to develop such specific and comprehensive  
12          recommendations for the legislative and executive  
13          branches of the Government and for private sector  
14          action as may be appropriate for promoting retire-  
15          ment income savings among American workers; and

16          “(9) to develop recommendations for the coordi-  
17          nation of Federal, State, and local policies among  
18          the Federal, State, and local levels of government  
19          and for the coordination of such policies (including  
20          any solutions for Federal, State, and local needs de-  
21          vised at the Federal, State, and local levels) with the  
22          efforts of the private sector to meet such needs, and  
23          to identify the appropriate authority and entities to  
24          implement such recommendations.

1       “(d) SCOPE OF NATIONAL SUMMIT.—The scope of  
 2 the National Summit shall consist of issues relating to in-  
 3 dividual and employer-based retirement savings and shall  
 4 not include issues relating to the old-age, survivors, and  
 5 disability insurance program under title II of the Social  
 6 Security Act.

7       “(e) NATIONAL SUMMIT PARTICIPANTS.—

8               “(1) IN GENERAL.—To carry out the purposes  
 9 of the National Summit, the National Summit shall  
 10 bring together—

11               “(A) professionals and other individuals  
 12 working in the fields of employee benefits and  
 13 retirement savings;

14               “(B) Members of Congress and officials in  
 15 the executive branch;

16               “(C) representatives of State and local  
 17 governments;

18               “(D) representatives of private sector insti-  
 19 tutions, including individual employers, con-  
 20 cerned about promoting the issue of retirement  
 21 savings and facilitating savings among Amer-  
 22 ican workers; and

23               “(E) representatives of the general public.

24               “(2) STATUTORILY REQUIRED PARTICIPA-  
 25 TION.—The participants in the National Summit

1 shall include the following individuals or their des-  
2 ignees:

3 “(A) the Speaker and the Minority Leader  
4 of the House of Representatives;

5 “(B) the Majority Leader and the Minority  
6 Leader of the Senate;

7 “(C) the Chairman and ranking Member of  
8 the Committee on Education and the Workforce  
9 of the House of Representatives;

10 “(D) the Chairman and ranking Member  
11 of the Committee on Labor and Human Re-  
12 sources of the Senate;

13 “(E) the Chairman and ranking Member  
14 of the Special Committee on Aging of the Sen-  
15 ate; and

16 “(F) the parties referred to in subsection  
17 (b).

18 “(3) ADDITIONAL PARTICIPANTS.—There shall  
19 be not more than 400 additional participants. Of  
20 such additional participants—

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

23 “(B) one-fourth shall be appointed by the  
24 Minority Leader of the House of Representa-  
25 tives;

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

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

5                   Such remaining participants shall be selected with-  
6                   out regard to political affiliation or past partisan ac-  
7                   tivity and shall be representative of the diversity of  
8                   thought in the fields of employee benefits and retire-  
9                   ment income savings.

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

13                  “(f) NATIONAL SUMMIT ADMINISTRATION.—

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

16                         “(A) request the cooperation and assist-  
17                         ance of such other Federal departments and  
18                         agencies and other parties referred to in sub-  
19                         section (b) as may be appropriate in the carry-  
20                         ing out of this section;

21                         “(B) furnish all reasonable assistance, in-  
22                         cluding financial assistance, to State agencies,  
23                         area agencies, and other appropriate organiza-  
24                         tions to enable them to organize and conduct

1 conferences in conjunction with the National  
2 Summit;

3 “(C) make available for public comment a  
4 proposed agenda for the National Summit that  
5 reflects to the greatest extent possible the pur-  
6 poses for the National Summit set out in this  
7 section;

8 “(D) prepare and make available back-  
9 ground materials for the use of participants in  
10 the National Summit that the Secretary consid-  
11 ers necessary; and

12 “(E) appoint and fix the pay of such addi-  
13 tional personnel as may be necessary to carry  
14 out the provisions of this section without regard  
15 to provisions of title 5, United States Code,  
16 governing appointments in the competitive serv-  
17 ice, and without regard to chapter 51 and sub-  
18 chapter III of chapter 53 of such title relating  
19 to classification and General Schedule pay  
20 rates.

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

1           “(A) the National Summit shall be con-  
2           ducted in a manner that ensures broad partici-  
3           pation of Federal, State, and local agencies and  
4           private organizations, professionals, and others  
5           involved in retirement income savings and pro-  
6           vides a strong basis for assistance to be pro-  
7           vided under paragraph (1)(B);

8           “(B) the agenda prepared under paragraph  
9           (1)(C) for the National Summit is published in  
10          the Federal Register; and

11          “(C) the personnel appointed under para-  
12          graph (1)(E) shall be fairly balanced in terms  
13          of points of views represented and shall be ap-  
14          pointed without regard to political affiliation or  
15          previous partisan activities.

16          “(g) REPORT.—The Secretary shall prepare a report  
17          describing the activities of the National Summit and shall  
18          submit the report to the President, the Speaker and Mi-  
19          nority Leader of the House of Representatives, the Major-  
20          ity and Minority Leaders of the Senate, and the chief exec-  
21          utive officers of the States not later than 90 days after  
22          the date on which the National Summit is adjourned.

23          “(h) DEFINITION.—For purposes of this section, the  
24          term ‘State’ means a State, the District of Columbia, the  
25          Commonwealth of Puerto Rico, the Commonwealth of the

1 Northern Mariana Islands, Guam, the Virgin Islands,  
 2 American Samoa, and any other territory or possession  
 3 of the United States.

4 “(i) AUTHORIZATION OF APPROPRIATIONS.—

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

9 “(2) RELIANCE ON PRIVATE CONTRIBUTIONS.—

10 The Secretary may accept private contributions, in  
 11 the form of money, supplies, or services, to defray  
 12 the costs of the National Summit. The Secretary  
 13 shall ensure, to the extent practicable, that at least  
 14 one-half of the funds available to the Secretary for  
 15 each fiscal year to carry out the provisions of this  
 16 section consist of such private contributions.

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

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

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

1       (c) AUTHORIZATION OF APPROPRIATIONS FOR FIS-  
2 CAL YEAR 1998.—Notwithstanding subsection (i) of sec-  
3 tion 517 of the Employee Retirement Income Security Act  
4 of 1974 (added by this section), the amount authorized  
5 to be appropriated for fiscal year 1998 to carry out such  
6 section is an amount equal to \$1,000,000.

○