

emergency savings account after termination of the employment of the participant or termination by the plan sponsor of the pension-linked emergency savings account; and

(ix) the ability of a participant who becomes a highly compensated employee (as such term is defined in paragraph (3) of subsection (b)) to, as described in paragraph (2) of such subsection, withdraw any account balance from a pension-linked emergency savings account and the restriction on the ability of such a participant to make further contributions to the pension-linked emergency savings account.

(B) Notice requirements

A notice furnished to a participant under subparagraph (A) shall be—

(i) sufficiently accurate and comprehensive to apprise the participant of the rights and obligations of the participant with regard to the pension-linked emergency savings account of the participant; and

(ii) written in a manner calculated to be understood by the average participant.

(C) Consolidated notices

The required notices under subparagraph (A) may be included with any other notice under this chapter, including under section 1104(c)(5)(B) or 1144(e)(3) of this title, or under section 401(k)(13)(E) or 414(w)(4) of title 26, if such other notice is provided to the participant at the time required for such notice.

(4) Employer matching contributions to an individual account plan for employee contributions to a pension-linked emergency savings account

(A) In general

If an employer makes any matching contributions to an individual account plan of which a pension-linked emergency savings account is part, subject to the limitations of paragraph (1)(A), the employer shall make matching contributions on behalf of a participant on account of the contributions by the participant to the pension-linked emergency savings account at the same rate as any other matching contribution on account of an elective contribution by such participant. The matching contributions shall be made to the participant's account under the individual account plan that is not the pension-linked emergency savings account. Such matching contributions on account of contributions under paragraph (1)(A) shall not exceed the maximum account balance under paragraph (1)(A) for such plan year.

(B) Coordination rule

For purposes of any applicable limitation on matching contributions, any matching contributions made under the plan shall be treated first as attributable to the elective deferrals of the participant other than contributions to a pension-linked emergency savings account.

(C) Matching contributions

For purposes of subparagraph (A), the term “matching contribution” has the meaning given such term in section 401(m)(4) of title 26.

(e) Account balance after termination

Upon termination of employment of the participant, or termination by the plan sponsor of the pension-linked emergency savings account, the pension-linked emergency savings account of such participant in an individual account plan shall—

(1) allow, at the election of the participant, for transfer by the participant of the account balance of such account, in whole or in part, into another designated Roth account of the participant under the individual account plan; and

(2) for any amounts in such account not transferred under paragraph (1), make such amounts available within a reasonable time to the participant.

(f) Anti-abuse rules

(1) In general

A plan of which a pension-linked emergency savings account is part—

(A) may employ reasonable procedures to limit the frequency or amount of matching contributions with respect to contributions to such account, solely to the extent necessary to prevent manipulation of the rules of the plan to cause matching contributions to exceed the intended amounts or frequency; and

(B) shall not be required to suspend matching contributions following any participant withdrawal of contributions, including elective deferrals and employee contributions, whether or not matched and whether or not made pursuant to an automatic contribution arrangement described in section 402A(e)(4) of title 26.

(2) Regulations or other guidance

The Secretary of the Treasury, in consultation with the Secretary of Labor, shall issue regulations or other guidance not later than 12 months after December 29, 2022, with respect to the anti-abuse rules described in paragraph (1).

(Pub. L. 93-406, title I, §801, as added Pub. L. 117-328, div. T, title I, §127(b)(1), Dec. 29, 2022, 136 Stat. 5318.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable to plan years beginning after Dec. 31, 2023, see section 127(g) of Pub. L. 117-328, set out as an Effective Date of 2022 Amendment note under section 72 of Title 26, Internal Revenue Code.

§ 1193a. Preemption of State anti-garnishment laws

Notwithstanding any other provision of law, this part shall supersede any law of a State which would directly or indirectly prohibit or restrict the use of an automatic contribution arrangement, described in section 1193(d)(2) of this

title, for a pension-linked emergency savings account. The Secretary may promulgate regulations to establish minimum standards that such an arrangement would be required to satisfy in order for this subsection to apply with respect to such an account.

(Pub. L. 93-406, title I, §802, as added Pub. L. 117-328, div. T, title I, §127(b)(1), Dec. 29, 2022, 136 Stat. 5323.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable to plan years beginning after Dec. 31, 2023, see section 127(g) of Pub. L. 117-328, set out as an Effective Date of 2022 Amendment note under section 72 of Title 26, Internal Revenue Code.

§ 1193b. Reporting and disclosure requirements

The Secretary shall—

(1) prescribe such regulations as may be necessary to address reporting and disclosure requirements for pension-linked emergency savings accounts; and

(2) seek to prevent unnecessary reporting and disclosure for such accounts under this chapter, including for purposes of any reporting or disclosure related to pension plans required by this subchapter or under the Internal Revenue Code of 1986.

(Pub. L. 93-406, title I, §803, as added Pub. L. 117-328, div. T, title I, §127(b)(1), Dec. 29, 2022, 136 Stat. 5323.)

Editorial Notes

REFERENCES IN TEXT

The Internal Revenue Code of 1986, referred to in par. (2), is classified generally to Title 26, Internal Revenue Code.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable to plan years beginning after Dec. 31, 2023, see section 127(g) of Pub. L. 117-328, set out as an Effective Date of 2022 Amendment note under section 72 of Title 26, Internal Revenue Code.

§ 1193c. Report to Congress on emergency savings accounts

The Secretary of Labor and the Secretary of the Treasury shall—

(1) conduct a study on the use of emergency savings from individual account plan accounts, including emergency savings from a pension-linked emergency savings account regarding—

(A) whether the amount of the dollar limitation under section 1193(d)(1)(A) of this title is sufficient;

(B) whether the limitation on the contribution rate under section 1193(d)(2)(A) of this title is appropriate; and

(C) the extent to which plan sponsors offer such accounts and participants participate in such accounts and the resulting impact on participant retirement savings, including the impact on retirement savings leakage and the effect of such accounts on retirement plan participation by low- and moderate-income households; and

(2) not later than 7 years after December 29, 2022, submit to Congress a report on the findings of the study under paragraph (1).

(Pub. L. 93-406, title I, §804, as added Pub. L. 117-328, div. T, title I, §127(b)(1), Dec. 29, 2022, 136 Stat. 5323.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable to plan years beginning after Dec. 31, 2023, see section 127(g) of Pub. L. 117-328, set out as an Effective Date of 2022 Amendment note under section 72 of Title 26, Internal Revenue Code.

SUBCHAPTER II—JURISDICTION, ADMINISTRATION, ENFORCEMENT; JOINT PENSION TASK FORCE, ETC.

SUBTITLE A—JURISDICTION, ADMINISTRATION, AND ENFORCEMENT

§ 1201. Procedures in connection with the issuance of certain determination letters by the Secretary of the Treasury covering qualifications under Internal Revenue Code

(a) Additional material required of applicants

Before issuing an advance determination of whether a pension, profit-sharing, or stock bonus plan, a trust which is a part of such a plan, or an annuity or bond purchase plan meets the requirements of part I of subchapter D of chapter 1 of title 26, the Secretary of the Treasury shall require the person applying for the determination to provide, in addition to any material and information necessary for such determination, such other material and information as may reasonably be made available at the time such application is made as the Secretary of Labor may require under subchapter I of this chapter for the administration of that subchapter. The Secretary of the Treasury shall also require that the applicant provide evidence satisfactory to the Secretary that the applicant has notified each employee who qualifies as an interested party (within the meaning of regulations prescribed under section 7476(b)(1) of title 26 (relating to declaratory judgments in connection with the qualification of certain retirement plans)) of the application for a determination.

(b) Opportunity to comment on application

(1) Whenever an application is made to the Secretary of the Treasury for a determination of whether a pension, profit-sharing, or stock bonus plan, a trust which is a part of such a plan, or an annuity or bond purchase plan meets the requirements of part I of subchapter D of chapter 1 of title 26, the Secretary shall upon request afford an opportunity to comment on the application at any time within 45 days after receipt thereof to—

(A) any employee or class of employee qualifying as an interested party within the meaning of the regulations referred to in subsection (a).¹

(B) the Secretary of Labor, and

(C) the Pension Benefit Guaranty Corporation.

¹ So in original. The period probably should be a comma.