117TH CONGRESS
2D SESSION

S._____

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide for periodic automatic reenrollment under qualified automatic contribution arrangements, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Kaine introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide for periodic automatic reenrollment under qualified automatic contribution arrangements, and for other purposes.

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 “Auto Reenroll Act of

5 2022”.
SEC. 2. AUTOMATIC REENROLLMENT UNDER QUALIFIED AUTOMATIC CONTRIBUTION ARRANGEMENTS AND ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENTS.

(a) Qualified Automatic Contribution Arrangements.—

(1) In general.—Section 401(k)(13)(C) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

“(v) Periodic Automatic Deferral Required for Post-2024 Arrangements.—In the case of a qualified automatic contribution arrangement which takes effect after December 31, 2024, the requirements of this subparagraph shall be treated as met only if, under the arrangement, at least every 3 plan years each employee—

“(I) who is eligible to participate in the arrangement, and

“(II) who, at the time of the determination, has in effect an affirmative election pursuant to clause (ii) not to have contributions described in clause (i) made,
is treated as having made the election described in clause (i) unless the employee makes a new affirmative election under clause (ii). Such determination may be made at one time for all employees described in the preceding sentence for a plan year, regardless of individual employee dates of enrollment.”.

(2) Conforming Amendments.—Clause (iv) of section 401(k)(13)(C) of such Code is amended—

(A) in the heading, by inserting “FOR PRE-2025 ARRANGEMENTS” after “REQUIRED”, and

(B) by striking “Clause (i)” and inserting “In the case of a qualified automatic contribution arrangement in effect before January 1, 2025, clause (i)”.

(b) Eligible Automatic Contribution Arrangements.—Section 414(w)(3) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and moving the margins of such clauses 2 ems to the right,

(2) by striking “ARRANGEMENT. — For purposes of” and inserting the following: “ARRANGEMENT. —
“(A) IN GENERAL.—For purposes of”, and

(3) by adding at the end the following new sub-

paragraph:

“(B) PERIODIC AUTOMATIC DEFERRAL RE-

QUIRED.—In the case of an eligible automatic

contribution arrangement taking effect after

December 31, 2024, the requirements of this

subsection shall be treated as met only if, under

the arrangement, at least every 3 plan years

each employee—

“(i) who is eligible to participate in

the arrangement, and

“(ii) who, at the time of the deter-

mination, has in effect an affirmative elec-

tion pursuant to subparagraph (A)(ii) not

to have contributions described in such

subparagraph made,

is treated as having made the election at the

uniform percentage level described in subpara-

graph (A)(ii) unless the employee makes a new

election under such subparagraph. Such deter-

mination may be made at one time for all em-

ployees described in the preceding sentence for

a plan year, regardless of individual employee

dates of enrollment.”.
(c) Conforming Amendment.—Section 514(e)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(e)(2)) is amended—

(1) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and moving the margins of such clauses 2 ems to the right;

(2) by striking “(2) For purposes of” and inserting “(2)(A) For purposes of”; and

(3) by adding at the end the following:

“(B) In the case of an eligible automatic contribution arrangement taking effect after December 31, 2024, the requirements of subparagraph (A)(ii) shall be treated as met only if, under the arrangement, at least every 3 plan years each employee—

“(i) who is eligible to participate in the arrangement; and

“(ii) who, at the time of the determination, has in effect an affirmative election pursuant to subparagraph (A)(ii) not to have contributions described in such subparagraph made; is treated as having made the election at the uniform percentage of compensation described in subparagraph (A)(ii) unless the employee makes a new election under such subparagraph. Such determination may be made at one time
for all employees described in the preceding sentence for
a plan year, regardless of individual employee dates of en-
rollment.”.

(d) Effective Date.—The amendments made by
this section shall apply to arrangements taking effect after
December 31, 2024.