Public Law 105–92
105th Congress

An Act

To amend title I of the Employee Retirement Income Security Act of 1974 to encourage retirement income savings.

Nov. 19, 1997
[H.R. 1377]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Savings Are Vital to Everyone's Retirement Act of 1997.
29 USC 1001 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings Are Vital to Everyone's Retirement Act of 1997".

29 USC 1146 note.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds as follows:

(1) The impending retirement of the baby boom generation will severely strain our already overburdened entitlement system, necessitating increased reliance on pension and other personal savings.

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

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

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

(1) to advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

(2) to provide for a periodic, bipartisan national retirement savings summit in conjunction with the White House to elevate the issue of savings to national prominence; and

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

SEC. 3. OUTREACH BY THE DEPARTMENT OF LABOR.

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

AUTHENTICATED
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"OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS

29 USC 1146.

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

"(b) METHODS.—The Secretary shall carry out the requirements of subsection (a) by means which shall ensure effective communication to the public, including publication of public service announcements, public meetings, creation of educational materials, and establishment of a site on the Internet.

"(c) INFORMATION TO BE MADE AVAILABLE.—The information to be made available by the Secretary as part of the program of outreach required under subsection (a) shall include the following:

"(1) a description of the vehicles currently available to individuals and employers for creating and maintaining retirement income savings, specifically including information explaining to employers, in simple terms, the characteristics and operation of the different retirement savings vehicles, including the steps to establish each such vehicle; and

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

"(A) the forms of retirement income savings;

"(B) the concept of compound interest;

"(C) the importance of commencing savings early in life;

"(D) savings principles;

"(E) the importance of prudence and diversification in investing;

"(F) the importance of the timing of investments; and

"(G) the impact on retirement savings of life's uncertainties, such as living beyond one's life expectancy.

"(d) ESTABLISHMENT OF SITE ON THE INTERNET.—The Secretary shall establish a permanent site on the Internet concerning retirement income savings. The site shall contain at least the following information:

"(1) a means for individuals to calculate their estimated retirement savings needs, based on their retirement income goal as a percentage of their preretirement income;

"(2) a description in simple terms of the common types of retirement income savings arrangements available to both individuals and employers (specifically including small employers), including information on the amount of money that can be placed into a given vehicle, the tax treatment of the money, the amount of accumulation possible through different typical investment options and interest rate projections, and a directory of resources of more descriptive information;

"(3) materials explaining to employers in simple terms, the characteristics and operation of the different retirement savings arrangements for their workers and what the basic legal requirements are under this Act and the Internal Revenue Code of 1986, including the steps to establish each such arrangement;

"(4) copies of all educational materials developed by the Department of Labor, and by other Federal agencies in consultation with such Department, to promote retirement income savings by workers and employers; and

"(5) links to other sites maintained on the Internet by governmental agencies and nonprofit organizations that provide additional detail on retirement income savings arrangements and related topics on savings or investing.

"(e) COORDINATION.—The Secretary shall coordinate the outreach program under this section with similar efforts undertaken by other public and private entities.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 514 the following new items:

"Sec. 515. Delinquent contributions.
"Sec. 516. Outreach to promote retirement income savings.".

SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAVINGS.

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

"NATIONAL SUMMIT ON RETIREMENT SAVINGS

"SEC. 517. (a) AUTHORITY TO CALL SUMMIT.—Not later than July 15, 1998, the President shall convene a National Summit on Retirement Income Savings at the White House, to be co-hosted by the President and the Speaker and the Minority Leader of the House of Representatives and the Majority Leader and Minority Leader of the Senate. Such a National Summit shall be convened thereafter in 2001 and 2005 on or after September 1 of each year involved. Such a National Summit shall— President. 29 USC 1147.

"(1) advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

"(2) facilitate the development of a broad-based, public education program to encourage and enhance individual commitment to a personal retirement savings strategy;

"(3) develop recommendations for additional research, reforms, and actions in the field of private pensions and individual retirement savings; and

"(4) disseminate the report of, and information obtained by, the National Summit and exhibit materials and works of the National Summit.

"(b) PLANNING AND DIRECTION.—The National Summit shall be planned and conducted under the direction of the Secretary, in consultation with, and with the assistance of, the heads of such other Federal departments and agencies as the President may designate. Such assistance may include the assignment of personnel. The Secretary shall, in planning and conducting the National Summit, consult with the congressional leaders specified in subsection (e)(2). The Secretary shall also, in carrying out the Secretary's duties under this subsection, consult and coordinate with at least one organization made up of private sector businesses and associations partnered with Government entities to promote long-term financial security in retirement through savings.

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

"(1) to increase the public awareness of the value of personal savings for retirement;

"(2) to advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

"(3) to facilitate the development of a broad-based, public education program to encourage and enhance individual commitment to a personal retirement savings strategy;

"(4) to identify the problems workers have in setting aside adequate savings for retirement;

"(5) to identify the barriers which employers, especially small employers, face in assisting their workers in accumulating retirement savings;

"(6) to examine the impact and effectiveness of individual employers to promote personal savings for retirement among their workers and to promote participation in company savings options;

"(7) to examine the impact and effectiveness of government programs at the Federal, State, and local levels to educate the public about, and to encourage, retirement income savings;

"(8) to develop such specific and comprehensive recommendations for the legislative and executive branches of the Government and for private sector action as may be appropriate for promoting private pensions and individual retirement savings; and

"(9) to develop recommendations for the coordination of Federal, State, and local retirement income savings initiatives among the Federal, State, and local levels of government and for the coordination of such initiatives.

"(d) SCOPE OF NATIONAL SUMMIT.—The scope of the National Summit shall consist of issues relating to individual and employer-based retirement savings and shall not include issues relating to the old-age, survivors, and disability insurance program under title II of the Social Security Act.

"(e) NATIONAL SUMMIT PARTICIPANTS.—

"(1) IN GENERAL.—To carry out the purposes of the National Summit, the National Summit shall bring together—

"(A) professionals and other individuals working in the fields of employee benefits and retirement savings;

"(B) Members of Congress and officials in the executive branch;

"(C) representatives of State and local governments;

"(D) representatives of private sector institutions, including individual employers, concerned about promoting the issue of retirement savings and facilitating savings among American workers; and

"(E) representatives of the general public.

"(2) STATUTORILY REQUIRED PARTICIPATION.—The participants in the National Summit shall include the following individuals or their designees:

"(A) the Speaker and the Minority Leader of the House of Representatives;

"(B) the Majority Leader and the Minority Leader of the Senate;

"(C) the Chairman and ranking Member of the Committee on Education and the Workforce of the House of Representatives;

"(D) the Chairman and ranking Member of the Committee on Labor and Human Resources of the Senate;

"(E) the Chairman and ranking Member of the Special Committee on Aging of the Senate;

"(F) the Chairman and ranking Member of the Subcommittees on Labor, Health and Human Services, and Education of the Senate and House of Representatives; and

"(G) the parties referred to in subsection (b).

"(3) ADDITIONAL PARTICIPANTS.—

"(A) IN GENERAL.—There shall be not more than 200 additional participants. Of such additional participants—

"(i) one-half shall be appointed by the President, in consultation with the elected leaders of the President's party in Congress (either the Speaker of the House of Representatives or the Minority Leader of the House of Representatives, and either the Majority Leader or the Minority Leader of the Senate; and

"(ii) one-half shall be appointed by the elected leaders of Congress of the party to which the President does not belong (one-half of that allotment to be appointed by either the Speaker of the House of Representatives or the Minority Leader of the House of Representatives, and one-half of that allotment to be appointed by either the Majority Leader or the Minority Leader of the Senate).

"(B) APPOINTMENT REQUIREMENTS.—The additional participants described in subparagraph (A) shall be—

"(i) appointed not later than January 31, 1998;

"(ii) selected without regard to political affiliation or past partisan activity; and

"(iii) representative of the diversity of thought in the fields of employee benefits and retirement income savings.

"(4) PRESIDING OFFICERS.—The National Summit shall be presided over equally by representatives of the executive and legislative branches.

"(f) NATIONAL SUMMIT ADMINISTRATION.—

"(1) ADMINISTRATION.—In administering this section, the Secretary shall—

"(A) request the cooperation and assistance of such other Federal departments and agencies and other parties referred to in subsection (b) as may be appropriate in the carrying out of this section;

"(B) furnish all reasonable assistance to State agencies, area agencies, and other appropriate organizations to enable them to organize and conduct conferences in conjunction with the National Summit;

"(C) make available for public comment a proposed agenda for the National Summit that reflects to the greatest extent possible the purposes for the National Summit set out in this section;

Public information.

"(D) prepare and make available background materials for the use of participants in the National Summit that the Secretary considers necessary; and

"(E) appoint and fix the pay of such additional personnel as may be necessary to carry out the provisions of this section without regard to provisions of title 5, United States Code, governing appointments in the competitive

service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) DUTIES.—The Secretary shall, in carrying out the responsibilities and functions of the Secretary under this section, and as part of the National Summit, ensure that—

"(A) the National Summit shall be conducted in a manner that ensures broad participation of Federal, State, and local agencies and private organizations, professionals, and others involved in retirement income savings and provides a strong basis for assistance to be provided under paragraph (1)(B);

Federal Register, publication.

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

"(C) the personnel appointed under paragraph (1)(E) shall be fairly balanced in terms of points of views represented and shall be appointed without regard to political affiliation or previous partisan activities.

"(3) NONAPPLICATION OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the National Summit.

"(g) REPORT.—The Secretary shall prepare a report describing the activities of the National Summit and shall submit the report to the President, the Speaker and Minority Leader of the House of Representatives, the Majority and Minority Leaders of the Senate, and the chief executive officers of the States not later than 90 days after the date on which the National Summit is adjourned.

"(h) DEFINITION.—For purposes of this section, the term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

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

"(2) AUTHORIZATION TO ACCEPT PRIVATE CONTRIBUTIONS.—In order to facilitate the National Summit as a public-private partnership, the Secretary may accept private contributions, in the form of money, supplies, or services, to defray the costs of the National Summit.

"(j) FINANCIAL OBLIGATION FOR FISCAL YEAR 1998.—The financial obligation for the Department of Labor for fiscal year 1998 shall not exceed the lesser of—

"(1) one-half of the costs of the National Summit; or

"(2) $250,000.

The private sector organization described in subsection (b) and contracted with by the Secretary shall be obligated for the balance of the cost of the National Summit.

"(k) CONTRACTS.—The Secretary may enter into contracts to carry out the Secretary's responsibilities under this section. The Secretary shall enter into a contract on a sole-source basis to ensure the timely completion of the National Summit in fiscal year 1998.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act, as amended by section 3 of this Act, is amended by inserting after the item relating to section 516 the following new item:

"Sec. 517. National Summit on Retirement Savings.".

Approved November 19, 1997.

LEGISLATIVE HISTORY—H.R. 1377:

HOUSE REPORTS: No. 105–104 (Comm. on Education and the Workforce).
CONGRESSIONAL RECORD, Vol. 143 (1997):
May 21, considered and passed House.
Nov. 7, considered and passed Senate, amended.
Nov. 9, House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 33 (1997):
Nov. 19, Presidential statement.