

Women’s Retirement Protection Act of 2019

Sec. 1 - Short Title; Sec. 2 - Findings

The bill is named the “Women’s Retirement Protection Act of 2019.” Approximately 29 percent of households headed by individuals aged 55 through 74 have no retirement savings and 34 percent of the private-sector workforce lack access to a workplace retirement plan. This bill aims to address certain issues for a critical group within the larger retirement crisis.

Women often lag significantly behind their male counterparts in preparing for retirement as the typical retirement income for women age 65 and older is 25 percent lower than that for men; women are also 80 percent more likely to face poverty in retirement. Women make up the majority of low-wage and part-time workers and accordingly are less likely than others to participate in a workplace retirement plan. Further, women face a pay gap during their career and are more likely to leave the workforce to become caregivers, both of which have a considerable and long-term impact in terms of lost wages and Social Security benefits.

This Act takes steps to extend critical protections to women’s retirement security and provides enhanced tools to ensure women can better prepare for retirement.

IMPROVING RETIREMENT SECURITY

Sec. 3 – Increasing Spousal Protections Under Defined Contribution Plans

This provision extends the spousal protections that are currently available for defined benefit plans to defined contribution plans. Specifically, the provision requires a spouse’s consent for certain distributions made from a defined contribution plan as well as any designation or change of beneficiary. This provision also explicitly outlines the rights of participants and beneficiaries to bring a civil suit for violations of these new requirements – rights which are currently available for participants and beneficiaries of defined benefit plans.

Sec. 4 – Improving Coverage for Long-Term, Part-Time Workers

This section would amend the minimum participation standards for certain long-term, part-time workers. This provision would allow employees to participate in a plan once they have reached the current minimum participation standards (age 21 or the completion of one year of service (generally 1,000 hours of service during a 12-month period) or once they have completed at least 500 hours of service for two consecutive years, if earlier. This provision would not apply to employees that are covered by a collective bargaining agreement provided that retirement benefits were the subject of good faith bargaining. The provision further provides that plans that fail to permit participation for these long-term, part-time workers may be subject to a civil penalty of \$10,000 per year per employee.

Sec. 5 – Effective Dates

The increased spousal protections under defined contribution plans provision would become effective for distributions and rollover contributions six months following the enactment of the bill.

The improved coverage for long-term, part-time workers provision would apply to plan years beginning after December 31, 2019. It is important to note that any 12-month period beginning before January 1, 2019, in which an employee worked at least 500 hours would not be counted for purposes of this provision.

IMPROVING ACCESS TO INFORMATION ABOUT RETIREMENT AND SAVING

Sec. 6 – Access to Independent Consumer Information and Understanding

In any offer for the sale of a retirement financial product or service, financial providers shall provide a link to the Consumer Financial Protection Bureau (CFPB) website where the consumer shall be able to access information and resources produced by the CFPB and/or other federal agencies relating to retirement planning or later-life economic security. The Financial Literacy and Education Commission (FLEC) will determine and publish such links to the CFPB's website as well as other related materials.

Sec. 7 – Grants to Increase Access to Information about Retirement and Savings Tools

This provision provides the Secretary of Labor, acting through the Director of the Women's Bureau, to award grants of at least \$250,000 to established community-based organizations on a competitive basis in order to increase access to information about retirement and savings tools for women who are of working or in retirement. The provision authorizes the appropriation of such sums as would be necessary to carry out this section.

IMPROVING ACCESS TO RETIREMENT SAVINGS

Sec. 8 – Grants to Assist Low-Income Women and Survivors of Domestic Violence in Obtaining Qualified Domestic Relations Orders

This provision provides the Secretary of Labor, acting through the Director of the Women's Bureau in conjunction with the Assistant Secretary of the Employee Benefits Security Administration, to award grants of at least \$250,000 to established community-based organizations on a competitive basis to assist low-income women and survivors of domestic violence in obtaining qualified domestic relations orders to ensure that these women actually

obtain the benefits to which they are entitled through those orders. The provision authorizes the appropriation of such sums as would be necessary to carry out this section.