

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To establish a universal personal savings program, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

---

Mr. COONS (for himself and Ms. KLOBUCHAR) introduced the following bill;  
which was read twice and referred to the Committee on

---



---

**A BILL**

To establish a universal personal savings program, 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 “Saving for the Future  
5 Act”.

6 **SEC. 2. FINDINGS.**

7        Congress finds as follows:

8            (1) Three out of 10 private-sector workers lack  
9        access to any workplace retirement plan, according

1 to a Bureau of Labor Statistics report in March  
2 2018.

3 (2) A retirement study conducted by the Gov-  
4 ernment Accountability Office found that 52 percent  
5 of households age 55-and-older have no retirement  
6 savings in a defined contribution plan or individual  
7 retirement account, and nearly 30 percent of house-  
8 holds age 55-and-older have no retirement savings  
9 and no defined benefit plan.

10 (3) A 2015 report on the economic well-being of  
11 United States households conducted by the Federal  
12 Reserve found that 31 percent of non-retirees re-  
13 portedly “have no retirement savings or pension  
14 whatsoever”, and that nearly one-half of non-retirees  
15 with self-directed retirement accounts are either  
16 “not confident” or “slightly confident” in their abil-  
17 ity to make the right investment decisions when in-  
18 vesting in such accounts.

19 **SEC. 3. UNIVERSAL PERSONAL SAVINGS.**

20 (a) IN GENERAL.—Subtitle B of title I of the Em-  
21 ployee Retirement Income Security Act of 1974 (29  
22 U.S.C. 1021 et seq.) is amended by adding at the end  
23 the following:

1       **“PART 8—UNIVERSAL PERSONAL SAVINGS**

2       **“SEC. 801. DEFINITIONS.**

3       “For purposes of this part:

4               “(1) **APPLICABLE EMPLOYER.**—The term ‘ap-  
5       plicable employer’ means an employer—

6                       “(A) with at least 10 full-time equivalent  
7       employees; and

8                       “(B) that has employed at least 10 full-  
9       time equivalent employees for not less than 2  
10       years.

11               “(2) **BOARD.**—The term ‘Board’ means the  
12       Federal Universal Personal Savings Investment  
13       Board established under section 803.

14               “(3) **EMPLOYEE.**—The term ‘employee’, unless  
15       specified otherwise, includes full-time and part-time  
16       employees of an applicable employer.

17               “(4) **EXECUTIVE DIRECTOR.**—The term ‘Execu-  
18       tive Director’ means the Executive Director of the  
19       UP Account Board appointed under section 803.

20               “(5) **FULL TIME.**—The term ‘full time’, with  
21       respect to employment, means 40 hours per week.

22               “(6) **FULL-TIME EQUIVALENT EMPLOYEE.**—  
23       The term ‘full-time equivalent employee’ means the  
24       sum of—

25                       “(A) the number of employees working full  
26       time; and

1           “(B) the full-time equivalent of the num-  
2           ber of employees working part-time, as defined  
3           and calculated in the manner determined most  
4           appropriate by the Secretary.

5   **“SEC. 802. EMPLOYER CONTRIBUTION REQUIREMENTS.**

6           “(a) MINIMUM EMPLOYER CONTRIBUTION.—

7           “(1) IN GENERAL.—Beginning in the first full  
8           taxable year following the date of enactment of the  
9           Saving for the Future Act, each applicable employer  
10          shall contribute to a qualifying plan, on behalf of  
11          each employee that is not enrolled in an active, de-  
12          fined benefit pension plan sponsored by such em-  
13          ployer, the applicable minimum amount described in  
14          paragraph (2).

15          “(2) MINIMUM EMPLOYER CONTRIBUTION.—

16                 “(A) INITIAL AMOUNTS.—For the first  
17                 year in which the requirements of paragraph  
18                 (1) apply, and the 1 year immediately following  
19                 such first year, the minimum amount an appli-  
20                 cable employer is required to contribute for  
21                 each full-time employee is \$0.50 per hour  
22                 worked by the employee.

23                 “(B) THIRD AND FOURTH YEARS.—For  
24                 the 2 years immediately following the period  
25                 during which subparagraph (A) applies, the

1 minimum amount an applicable employer is re-  
2 quired to contribute for each full-time employee  
3 is \$.60 per hour worked by the employee.

4 “(C) SUBSEQUENT YEARS.—The Secretary  
5 shall increase the amounts described in sub-  
6 paragraph (B) for the year immediately fol-  
7 lowing the period during which subparagraph  
8 (B) applies, and every 3 years thereafter, by an  
9 amount proportional to growth in average non-  
10 supervisory wages.

11 “(3) NONCOMPLIANCE.—In the case of an ap-  
12 plicable employer that is found to be in violation of  
13 the requirement under paragraph (1), such employer  
14 shall be required to make the contributions required  
15 under paragraph (1), plus interest, at an interest  
16 rate set by the Secretary through rulemaking.

17 “(b) QUALIFYING PLANS.—

18 “(1) IN GENERAL.—Each applicable employer  
19 shall provide a pension plan for all employees.

20 “(2) TYPES OF PLANS.—The pension plan re-  
21 quired under paragraph (1)—

22 “(A)(i) in the case of an applicable em-  
23 ployer with 100 or more full-time equivalent  
24 employees, shall be an employer plan, which  
25 may be a plan described in section 401(k) of

1 the Internal Revenue Code of 1986, defined  
2 benefit pension plan, or any other plan de-  
3 scribed in section 219(g)(5) of the Internal  
4 Revenue Code of 1986; and

5 “(ii) in the case of an applicable employer  
6 with fewer than 100 full-time equivalent em-  
7 ployees, shall be a plan described in subpara-  
8 graph (A), a simple retirement account under  
9 section 408(p) of the Internal Revenue Code of  
10 1986 or an automatic payroll deduction indi-  
11 vidual retirement account or multiple employer  
12 plan, including any current or prospective  
13 State-established and -facilitated payroll deduc-  
14 tion or automatic individual retirement account,  
15 or an UP Account described in section 804; or

16 “(B) in the case of an applicable employer  
17 who does not provide an employer contribution  
18 but offers a State-established or -facilitated  
19 program described in subparagraph (A)(ii),  
20 such employer shall provide an UP Retirement  
21 Account to which the employer makes contribu-  
22 tions, and any employee contributions shall be  
23 directed to the State plan.

24 “(3) CLARIFICATION OF EMPLOYER OBLIGA-  
25 TIONS WITH RESPECT TO CERTAIN EMPLOYEES.—In

1 the case of an applicable employer that offers an UP  
2 Retirement Account plan and any other type of plan  
3 described in subparagraph (A)(i), (A)(ii), or (B), as  
4 applicable, of paragraph (2), to employees, with re-  
5 spect to employees for whom the employer is not re-  
6 quired under this Act to offer participation in such  
7 other type of plan, the requirements of this part may  
8 be met by allowing such employees to participate in  
9 such other plan.

10 “(c) STANDARD NOTICE.—The board shall develop a  
11 standard notice that employers with fewer than 10 work-  
12 ers electing not to make contributions are required to pro-  
13 vide to each employee upon hire, and annually thereafter.  
14 Such notice shall provide instructions on how to set up  
15 an account, make contributions, and claim the individual  
16 credit under section 25BB of the Internal Revenue Code  
17 of 1986.

18 **“SEC. 803. UP ACCOUNT BOARD.**

19 “(a) ESTABLISHMENT OF BOARD.—There is estab-  
20 lished a Federal Universal Personal Savings Investment  
21 Board, an independent government agency for the purpose  
22 of overseeing UP Accounts.

23 “(b) MEMBERSHIP.—

24 “(1) APPOINTMENT OF MEMBERS.—The Presi-  
25 dent shall appoint, by and with the consent of the

1 Senate, 5 members to serve on the Board. Such  
2 members shall have substantial experience, training,  
3 and expertise in the management of financial invest-  
4 ments and pension benefit plans.

5 “(2) EXECUTIVE DIRECTOR.—The Board shall  
6 hire an Executive Director of the Board.

7 “(3) TERMS.—Each member shall serve a term  
8 of 5 years, except that, of the members first ap-  
9 pointed, 1 shall serve a term of 1 year, one shall  
10 serve a term of 2 years, one shall serve a term of  
11 3 years, one shall serve a term of 4 years, and one  
12 shall serve a term of 5 years. Each member of the  
13 Board may serve up to 2 consecutive terms.

14 “(c) FUNDING.—Administrative expenses incurred to  
15 carry out this part shall be paid first out net earnings  
16 in the UP Account Fund.

17 **“SEC. 804. UP ACCOUNT FUND.**

18 “(a) IN GENERAL.—There is established in the  
19 Treasury of the United States an UP Account Fund.

20 “(b) FUNDS.—The UP Account Fund shall consist  
21 of all amounts contributed by participants, and employees  
22 on behalf of participants, into UP Retirement Accounts  
23 and UP Savings Accounts, increased by the total net earn-  
24 ings from investments of sums in the UP Account Fund  
25 or reduced by the total net losses from investments of the



1 UP Account Fund, and reduced by the total amount of  
2 payments made from the UP Account Fund (including  
3 payments for administrative expenses).

4 “(c) PERMISSIBLE USES OF FUNDS.—The sums in  
5 the UP Account Fund are appropriated and shall remain  
6 available without fiscal year limitation—

7 “(1) to invest in accordance with section  
8 805(h);

9 “(2) to pay benefits or purchase annuity con-  
10 tracts under this subchapter; and

11 “(3) to pay administrative expenses.

12 **“SEC. 805. UP RETIREMENT ACCOUNTS.**

13 “(a) IN GENERAL.—The Board shall establish UP  
14 Retirement Accounts that are portable, defined contribu-  
15 tion pension plans.

16 “(b) ROLLOVERS.—

17 “(1) DEFINITIONS.—For purposes of this sub-  
18 section—

19 “(A) the term ‘eligible rollover distribution’  
20 has the meaning given such term by section  
21 402(c)(4) of the Internal Revenue Code of  
22 1986; and

23 “(B) the term ‘qualified trust’ has the  
24 meaning given such term by section 402(c)(8)  
25 of the Internal Revenue Code of 1986.

1           “(2) ROLLOVERS.—A participant may con-  
2           tribute to the UP Retirement Account an eligible  
3           rollover that a qualified trust could accept under the  
4           Internal Revenue Code of 1986. A contribution  
5           made under this subsection shall be made in the  
6           form described in section 401(a)(31) of the Internal  
7           Revenue Code of 1986. In the case of an eligible  
8           rollover distribution, the maximum amount trans-  
9           ferred to the Up Account Fund shall not exceed the  
10          amount which would otherwise have been included in  
11          the participant’s gross income for Federal income  
12          tax purposes.

13           “(3) REGULATIONS.—The Executive Director  
14          shall prescribe regulations to carry out this sub-  
15          section.

16          “(c) ADMINISTRATION.—The Board shall contract  
17          with one or more private investment firms to administer  
18          the UP Accounts. The Board shall contract with multiple  
19          private investment firms, as necessary to ensure that no  
20          single firm administers more than \$500,000,000,000 in  
21          UP Account assets.

22          “(d) INDIVIDUAL ELIGIBILITY.—

23           “(1) IN GENERAL.—An employee is eligible to  
24          participate in an UP Retirement Account if—

1           “(A) the employee’s employer establishes  
2           an UP Retirement Account on the employee’s  
3           behalf; or

4           “(B) the employee demonstrates to the  
5           Board that the employee works for a employer  
6           that is not an applicable employer.

7           “(2) MAINTENANCE OF ACCOUNT.—An indi-  
8           vidual who becomes a participant in an UP Retire-  
9           ment Account as described in paragraph (1) may  
10          maintain such account and may continue to make  
11          individual contributions to such account, regardless  
12          of such individual’s subsequent employment status,  
13          provided that the individual is not a participant in  
14          another plan described in section 802(b)(2).

15          “(e) QUARTERLY STATEMENTS.—The Board shall  
16          provide participants with a quarterly statement explaining  
17          each participant’s projected income in retirement under  
18          different distribution scenarios and identifying the total  
19          dollar amount paid in fees for the year.

20          “(f) EMPLOYEE AND EMPLOYER CONTRIBUTIONS.—

21                  “(1) EMPLOYEE CONTRIBUTIONS.—

22                          “(A) IN GENERAL.—Applicable employers  
23                          making contributions required under section  
24                          802 to an UP Retirement Account shall auto-  
25                          enroll all employees in such an account with an

1 employee contribution that is equal to 4 percent  
2 of the employee's wages, with the option for any  
3 such employee to elect a different employee con-  
4 tribution level or to opt out of such account at  
5 any time.

6 “(B) AUTO-ESCALATION.—Employees  
7 making contributions to an UP Retirement Ac-  
8 count shall have their contributions automati-  
9 cally escalated by half a percentage point at the  
10 conclusion of each full year during which such  
11 employer is so enrolled, until reaching the level  
12 of a 10 percent employee contribution. Any em-  
13 ployee may opt out of such automatic esca-  
14 lation.

15 “(C) DEFAULT ELECTIONS IN THE CASE  
16 OF CHANGES IN EMPLOYMENT.—In the case of  
17 an employee who was enrolled in an UP Retire-  
18 ment Account through one employer and subse-  
19 quently ceases to work for such employer, if the  
20 employee subsequently is employed by another  
21 applicable employer, the employee's default con-  
22 tribution level under this paragraph shall be the  
23 same level that it was on the last day of em-  
24 ployment with the previous employer.

25 “(2) EMPLOYER CONTRIBUTIONS.—

1           “(A) IN GENERAL.—Applicable employers  
2           may contribute more to an employee’s UP Re-  
3           tirement Account than is required under section  
4           802, but may not contribute more than ½ the  
5           amount in effect under section 402(g)(1)(B) of  
6           the Internal Revenue Code of 1986 for the tax-  
7           able year.

8           “(B) DEFAULT RULES.—Any employer  
9           matching requirements under this part shall  
10          apply to any employer contributions that are in  
11          addition to the minimum employer contribution.

12          “(C) FIDUCIARY DUTIES.—An applicable  
13          employer’s fiduciary duties with respect to an  
14          employee’s UP Retirement Account extend only  
15          to the full and timely payment of contributions  
16          to their employees’ UP Retirement Accounts.  
17          For all other purposes, the members of the  
18          Board are the fiduciaries of such accounts.

19          “(g) PARTICIPANT ACCOUNTS.—

20                 “(1) IN GENERAL.—The Executive Director  
21                 shall establish and maintain an account for each in-  
22                 dividual who makes contributions or for whom con-  
23                 tributions are made under this section.

24                 “(2) BALANCES.—The balance in a partici-  
25                 pant’s account at any time is the excess of—

1 “(A) the sum of—

2 “(i) all contributions made to the UP  
3 Retirement Account by the participant;

4 “(ii) all contributions made to such  
5 Account for the benefit of the participant;  
6 and

7 “(iii) the total amount of the alloca-  
8 tions made to and reductions made in the  
9 account pursuant to paragraph (3), over

10 “(B) the amounts paid out of the UP Re-  
11 tirement Account with respect to such partici-  
12 pant.

13 “(3) ADJUSTMENTS.—Pursuant to regulations  
14 prescribed by the Executive Director, the Executive  
15 Director shall allocate to each account an amount  
16 equal to a pro rata share of the net earnings and net  
17 losses from each investment of sums in the UP Ac-  
18 count Fund attributable to sums credited to such ac-  
19 count, reduced by an appropriate share of the ad-  
20 ministrative expenses paid out of the net earnings,  
21 as determined by the Executive Director.

22 “(h) INVESTMENTS.—The following investment rules  
23 shall apply with respect to an UP Retirement Account:

24 “(1) The Board shall make available a reason-  
25 able menu of investment products, including low-fee

1 index funds, sufficient to provide participants with  
2 the opportunity to diversify their UP Retirement Ac-  
3 counts in order to minimize the risk of large losses.

4 “(2) The default investment option for partici-  
5 pants shall minimize fees, be diversified, and auto-  
6 matically reduce risk to the participant as the par-  
7 ticipant approaches retirement age.

8 “(3) UP Retirement Accounts shall allow par-  
9 ticipants to change or customize investment alloca-  
10 tion.

11 “(4) The board shall select investments solely in  
12 the interests of participants and beneficiaries and  
13 for the exclusive purpose of providing benefits and  
14 deferring reasonable expenses with the prevailing  
15 care, skill, prudence, and diligence that a prudent  
16 individual acting in a like capacity and familiar with  
17 such matters would use.

18 “(i) DISTRIBUTIONS.—

19 “(1) IN GENERAL.—The Board shall ensure  
20 that investors are offered forms of distribution that  
21 include—

22 “(A) monthly income for life for the partici-  
23 pant or surviving spouse, if applicable;

24 “(B) monthly income until the normal or  
25 maximum Social Security retirement age for the

1 participant or surviving spouse, if applicable;  
2 and

3 “(C) automatic, regular withdrawals,  
4 under which a set percentage of initial capital  
5 is withdrawn each year, on a monthly basis.

6 “(2) DEATH OF PARTICIPANT.—In case of  
7 death of a participant, a lump sum shall be paid to  
8 designated beneficiary.

9 **“SEC. 806. UP SAVINGS ACCOUNTS.**

10 “(a) IN GENERAL.—In addition to a standard UP  
11 Retirement Account under section 805, a participant may  
12 maintain an UP Savings Account, established by the  
13 Board, and designed as safe, short- to medium-term sav-  
14 ings vehicles.

15 “(b) CONTRIBUTIONS; MAXIMUM BALANCE.—

16 “(1) IN GENERAL.—Participants may make  
17 contributions to their UP Savings Account until the  
18 account reaches the maximum balance amount de-  
19 scribed in paragraph (1). Any contributions a partic-  
20 ipant wishes to make after the participant’s account  
21 reaches such maximum balance amount shall be  
22 credited to the participant’s UP Retirement Account  
23 established under section 805. An UP Savings Ac-  
24 count may grow past the maximum balance amount  
25 due to accumulation without penalty.



1           “(2) INCREASED AMOUNTS.—The Board shall  
2           establish the maximum balance amount for purposes  
3           of paragraph (1) as follows:

4                   “(A) For the first fiscal year that begins  
5                   after the date of enactment of the Saving for  
6                   the Future Act, the maximum balance amount  
7                   shall be 2,500.

8                   “(B) For fiscal year immediately following  
9                   the fiscal year described in subparagraph (A),  
10                  and each fiscal year thereafter, the Board shall  
11                  increase the maximum balance amount from the  
12                  previous year, in increments of \$100 that most  
13                  close reflects the average wage growth during  
14                  the applicable 12-month period.

15                  “(3) DEFAULT RULE.—Any contributions a  
16                  participant makes pursuant to accounts established  
17                  under this part shall, be credited to the participant’s  
18                  UP Savings Account, until such has reached the  
19                  maximum balance amount, unless the participant  
20                  specifies otherwise. Once the maximum balance is  
21                  reached, additional contributions will go to a partici-  
22                  pant’s UP Retirement Account.

23                  “(c) INVESTMENT.—The Board may invest contribu-  
24                  tions to UP Savings Account only in cash, money market  
25                  funds, certificates of deposit, or government bonds.

1       “(d) WITHDRAWALS.—Participants may withdraw  
2 amounts from their UP Savings Account when experi-  
3 encing a specific financial situation that requires a non-  
4 routine use of money, as determined by the Board (in  
5 rules similar to the rules governing hardship distributions  
6 from a trust described in section 401(a) of the Internal  
7 Revenue Code of 1986 which is exempt from taxation  
8 under section 501(a) of such Code). Such situations may  
9 include a major reduction in earnings, an on-the-job in-  
10 jury, disability, family or medical leave, a large medical  
11 bill, the down payment for a home, and the beginning of  
12 a training or educational experience. The Board shall de-  
13 termine the rules regarding such withdrawals, including  
14 allowable needs, and demonstration of the need, but shall  
15 not impose a withdrawal penalty or impose a repayment  
16 requirement. Loans to investors shall not be permitted.

17       “(e) OTHER PENSION PLANS.—Any pension plan  
18 may offer a safe, short- to medium-term savings account  
19 with terms similar to the terms that apply to UP Savings  
20 Accounts described in this section. For purposes of this  
21 Act, any such account shall be considered part of the pen-  
22 sion plan.

23 **“SEC. 807. TAX TREATMENT OF UP ACCOUNTS.**

24       “(a) IN GENERAL.—For purposes of the Internal  
25 Revenue Code of 1986—

1           “(1) the UP Account Fund shall be treated as  
2           a trust described in section 401(a) of such Code  
3           which is exempt from taxation under section 501(a)  
4           of such Code;

5           “(2) any contribution to, or distribution from,  
6           the UP Account Fund shall be treated in the same  
7           manner as contributions to or distributions from  
8           such a trust; and

9           “(3) subject to section 401(k)(4)(B) of such  
10          Code and any dollar limitation on the application of  
11          section 402(a)(8) of such Code, contributions to the  
12          UP Account Fund shall not be treated as distributed  
13          or made available to an employee or Member nor as  
14          a contribution made to the Fund by an employee or  
15          Member merely because the employee or Member  
16          has, under the provisions of this part, an election  
17          whether the contribution will be made to the UP Ac-  
18          count Fund or received by the employee or Member  
19          in cash.

20          “(b) NONDISCRIMINATION REQUIREMENTS.—Not-  
21          withstanding any other provision of law, the UP Account  
22          Fund is not subject to the nondiscrimination requirements  
23          applicable to arrangements described in section 401(k) of  
24          the Internal Revenue Code of 1986, or to matching con-

1 tributions (as described in section 401(m) of such Code),  
2 so long as it meets the requirements of this section.

3 “(c) **RULE OF CONSTRUCTION.**—Subsection (a) shall  
4 not be construed to provide that any amount of the em-  
5 ployee’s or Member’s basic pay which is contributed to the  
6 UP Account Fund shall not be included in the term  
7 ‘wages’ for the purposes of section 209 of the Social Secu-  
8 rity Act or section 3121(a) of the Internal Revenue Code  
9 of 1986.

10 **“SEC. 808. QUALIFIED ROTH CONTRIBUTION PROGRAM.**

11 “(a) **DEFINITIONS.**—For purposes of this section—

12 “(1) the term ‘qualified Roth contribution pro-  
13 gram’ means a program described in paragraph (1)  
14 of section 402A(b) of the Internal Revenue Code of  
15 1986 which meets the requirements of paragraph (2)  
16 of such section; and

17 “(2) the terms ‘designated Roth contribution’  
18 and ‘elective deferral’ have the meanings given such  
19 terms in section 402A of the Internal Revenue Code  
20 of 1986.

21 “(b) **AUTHORITY TO ESTABLISH.**—The Executive Di-  
22 rector shall by regulation provide for the inclusion in the  
23 UP Accounts of a qualified Roth contribution program,  
24 under such terms and conditions as the Board may pre-  
25 scribe.

1       “(c) REQUIRED PROVISIONS.—The regulations under  
2 subsection (b) shall include—

3               “(1) provisions under which an election to make  
4 designated Roth contributions may be made by any  
5 individual who is eligible to make contributions to an  
6 UP Account under section 805(d); and

7               “(2) any other provisions which may be nec-  
8 essary to carry out this section.

9 **“SEC. 809. SURVIVOR ANNUITIES.**

10       “The rules on survivor annuities under subchapter IV  
11 of chapter 84 of title 5, United States Code, that are ap-  
12 plicable to the Thrift Savings Plan, shall apply to UP Ac-  
13 counts. The Executive Director shall promulgate regula-  
14 tions to provide for the application of such rules to UP  
15 Accounts, as appropriate.”.

16       (b) CLERICAL AMENDMENT.—The table of contents  
17 in section 1 of the Employee Retirement Income Security  
18 Act of 1974 is amended by inserting after the item relat-  
19 ing to section 734 the following new items:

“PART 8. UNIVERSAL PERSONAL ACCOUNTS

“801. Definitions.

“802. Employer contribution requirements.

“803. UP Account Board.

“804. UP Account Fund.

“805. UP Retirement Accounts.

“806. UP Savings Accounts.

“807. Tax treatment of UP Accounts.

“808. Qualified Roth contribution program.

“809. Survivor annuities.”.

1 **SEC. 4. INCREASE IN CREDIT FOR SMALL EMPLOYER PEN-**  
2 **SION PLAN STARTUP COSTS.**

3 (a) **IN GENERAL.**—Paragraph (1) of section 45E(b)  
4 of the Internal Revenue Code of 1986 is amended by strik-  
5 ing “\$500” and inserting “\$2,000”.

6 (b) **ELIGIBLE EMPLOYERS.**—Paragraph (1) of sec-  
7 tion 45E(c) of the Internal Revenue Code of 1986 is  
8 amended by inserting “, applied by substituting ‘250’ for  
9 ‘100’” after “408(p)(2)(C)(i)”.

10 (c) **PENALTY FOR NONCOMPLIANT EMPLOYERS.**—  
11 Subsection (c) of section 45E of the Internal Revenue  
12 Code of 1986 is amended by adding at the end the fol-  
13 lowing new paragraph:

14 “(3) **EMPLOYERS FAILING TO MAKE REQUIRED**  
15 **CONTRIBUTIONS.**—Such term shall not include an  
16 employer subject to the requirement of section  
17 802(a)(1) of the Employee Retirement Income Secu-  
18 rity Act of 1974 that fails, within the time pre-  
19 scribed by the Secretary, to make any required con-  
20 tribution under such section 802 for the taxable year  
21 or any of the 4 taxable years preceding such year.”.

22 (d) **EFFECTIVE DATE.**—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 the date of the enactment of this Act.

1 **SEC. 5. CREDIT FOR MINIMUM EMPLOYER CONTRIBU-**  
2 **TIONS.**

3 (a) **IN GENERAL.**—Subpart D of part IV of sub-  
4 chapter A of chapter 1 of the Internal Revenue Code of  
5 1986 is amended by adding at the end the following new  
6 section:

7 **“SEC. 45T. CREDIT FOR MINIMUM EMPLOYER CONTRIBU-**  
8 **TIONS.**

9 “(a) **GENERAL RULE.**—For purposes of section 38,  
10 the minimum employer contribution credit determined  
11 under this section for any taxable year is an amount equal  
12 to the applicable percentage of the qualified retirement  
13 contributions paid or incurred by the taxpayer during the  
14 taxable year.

15 “(b) **APPLICABLE PERCENTAGE.**—For purposes of  
16 subsection (a), the applicable percentage is—

17 “(1) 50 percent, in the case of contributions  
18 made with respect to not more than 15 employees of  
19 the employer (or the number of employees of the em-  
20 ployer which is the equivalent of 15 full-time em-  
21 ployees), and

22 “(2) 25 percent, in the case of contributions  
23 made with respect to so many of the employees of  
24 the employer (or the equivalent of so many full-time  
25 employees) as exceeds 15 but does not exceed 30.

1       “(c) QUALIFIED RETIREMENT CONTRIBUTIONS.—

2 For purposes of this section—

3           “(1) IN GENERAL.—The term ‘qualified retire-  
4 ment contributions’ means—

5           “(A) contributions made by an employer as  
6 required under section 802 of the Employee Re-  
7 tirement Income Security Act of 1974, and

8           “(B) contributions to a plan described in  
9 section 802(b)(2) of such Act made by an em-  
10 ployer which is not subject to the requirement  
11 of section 802(a)(1) of such Act.

12       “(2) ONLY REQUIRED CONTRIBUTION AMOUNT  
13 TAKEN INTO ACCOUNT.—The term ‘qualified retire-  
14 ment contributions’ does not include any amount in  
15 excess of—

16           “(A) the amount determined under section  
17 802(a)(2) of the Employee Retirement Income  
18 Security Act with respect to each employee of  
19 the employer, or

20           “(B) the amount which would be so deter-  
21 mined if the employer were subject to the re-  
22 quirement of section 802(a)(1) of such Act.

23       “(d) EMPLOYERS EXCLUDED FOR FAILURE TO  
24 MAKE CONTRIBUTIONS.—Subsection (a) shall not apply  
25 to any employer which fails, within the time prescribed



1 by the Secretary, to make any contribution required to be  
2 made by such employer under section 802 of the Employee  
3 Retirement Income Security Act of 1974 for the taxable  
4 year or any of the 4 taxable years preceding such year.

5 “(e) SPECIAL RULES.—For purposes of this sec-  
6 tion—

7 “(1) AGGREGATION RULES, ETC.—Rules similar  
8 to the rules of section 45E(e) shall apply.

9 “(2) DENIAL OF DOUBLE BENEFIT.—No credit  
10 shall be allowed under this section for any taxable  
11 year in which the credit under section 45E is al-  
12 lowed with respect to the taxpayer.

13 “(f) CREDIT MADE AVAILABLE TO TAX-EXEMPT ELI-  
14 GIBLE EMPLOYERS.—

15 “(1) IN GENERAL.—In the case of a tax-exempt  
16 eligible employer, there shall be treated as a credit  
17 allowable under subpart C (and not allowable under  
18 this subpart) the lesser of—

19 “(A) the amount of the credit determined  
20 under this section with respect to such em-  
21 ployer, or

22 “(B) the amount of the payroll taxes of the  
23 employer during the calendar year in which the  
24 taxable year begins.

1           “(2) TAX-EXEMPT ELIGIBLE EMPLOYER.—For  
2 purposes of this section, the term ‘tax-exempt eligi-  
3 ble employer’ means an eligible employer which is  
4 any organization described in section 501(c) which is  
5 exempt from taxation under section 501(a).

6           “(3) PAYROLL TAXES.—For purposes of this  
7 subsection—

8           “(A) IN GENERAL.—The term ‘payroll  
9 taxes’ means—

10           “(i) amounts required to be withheld  
11 from the employees of the tax-exempt eligi-  
12 ble employer under section 3401(a),

13           “(ii) amounts required to be withheld  
14 from such employees under section  
15 3101(b), and

16           “(iii) amounts of the taxes imposed on  
17 the tax-exempt eligible employer under sec-  
18 tion 3111(b).

19           “(B) SPECIAL RULE.—A rule similar to  
20 the rule of section 24(d)(2)(C) shall apply for  
21 purposes of subparagraph (A).”.

22           (b) CREDIT TO BE MADE PART OF BUSINESS CRED-  
23 IT.—Subsection (b) of section 38 of the Internal Revenue  
24 Code of 1986 is amended by striking “plus” at the end  
25 of paragraph (31), by striking the period at the end of

1 paragraph (32) and inserting “, plus”, and by adding at  
2 the end the following new paragraph:

3 “(33) in the case of an eligible employer, the  
4 minimum employer contribution credit determined  
5 under section 45T(a).”.

6 (c) CLERICAL AMENDMENT.—The table of sections  
7 for subpart D of part IV of subchapter A of chapter 1  
8 of the Internal Revenue Code of 1986 is amended by in-  
9 serting after the item relating to section 45S the following  
10 new item:

“Sec. 45T. Credit for minimum employer contributions.”.

11 (d) TRANSFERS TO FEDERAL OLD-AGE AND SUR-  
12 VIVORS INSURANCE TRUST FUND.—There are hereby ap-  
13 propriated to the Federal Old-Age and Survivors Trust  
14 Fund and the Federal Disability Insurance Trust Fund  
15 established under section 201 of the Social Security Act  
16 (42 U.S.C. 401) amounts equal to the reduction in reve-  
17 nues to the Treasury by reason of the enactment of section  
18 45T(f) of the Internal Revenue Code of 1986. Amounts  
19 appropriated by the preceding sentence shall be trans-  
20 ferred from the general fund at such times and in such  
21 manner as to replicate to the extent possible the transfers  
22 which would have occurred to such Trust Fund had such  
23 amendments not been enacted.

1 (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

4 **SEC. 6. ADDITIONAL CREDIT FOR INDIVIDUALS MAKING**  
5 **RETIREMENT CONTRIBUTIONS.**

6 (a) IN GENERAL.—Subpart A of part IV of sub-  
7 chapter A of chapter 1 of the Internal Revenue Code of  
8 1986 is amended by inserting after section 25B the fol-  
9 lowing new section:

10 **“SEC. 25BB. ADDITIONAL CREDIT FOR CERTAIN INDIVID-**  
11 **UALS MAKING RETIREMENT CONTRIBU-**  
12 **TIONS.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
14 gible individual, there shall be allowed as a credit against  
15 the tax imposed by this subtitle for the taxable year an  
16 amount equal to 50 percent of so much of the qualified  
17 retirement contributions of the individual for the taxable  
18 year as do not exceed the base amount.

19 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this  
20 section, the term ‘eligible individual’ means an individual  
21 whose employer does not provide a defined benefit plan  
22 (as defined in section 414(j)), defined contribution plan  
23 (as defined in section 414(i)), or participation in an UP  
24 Account under section 805 of the Employee Retirement

1 Income Security Act of 1974, or who is not employed, at  
2 the time the qualified retirement contributions are made.

3 “(c) QUALIFIED RETIREMENT CONTRIBUTIONS,  
4 ETC.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘qualified retire-  
6 ment contributions’ means, with respect to any tax-  
7 able year, any amounts paid in cash by an individual  
8 to—

9 “(A) an individual retirement plan, or

10 “(B) an UP Account established under  
11 section 805 of the Employee Retirement Income  
12 Security Act of 1974,

13 for the benefit of the individual.

14 “(2) BASE AMOUNT.—The base amount for any  
15 taxable year is an amount equal to the amount in  
16 effect under section 802(a)(3)(i) of the Employee  
17 Retirement Income Security Act of 1974 for such  
18 year.

19 “(d) SPECIAL RULES.—

20 “(1) INVESTMENT IN THE CONTRACT.—Rules  
21 similar to the rules of section 25B(f) shall apply for  
22 purposes of this section.

23 “(2) COORDINATION WITH SAVER’S CREDIT.—  
24 The credit under this section and the credit under

1 section 25B shall each be determined without regard  
2 to the other.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 for subpart A of part IV of subchapter A of chapter 1  
5 of the Internal Revenue Code of 1986 is amended by in-  
6 serting after the item relating to section 25B the following  
7 new item:

“Sec. 25BB. Additional credit for certain individuals making retirement con-  
tributions.”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 the date of the enactment of this Act.

11 **SEC. 7. INCREASE IN HIGHEST INDIVIDUAL INCOME TAX**  
12 **RATE.**

13 (a) IN GENERAL.—Each of the tables contained in  
14 subparagraphs (A), (B), (C), (D), and (E) of section  
15 1(j)(2) of the Internal Revenue Code of 1986 is amended  
16 by striking “37%” in the last line and inserting “39.6%”.

17 (b) CONFORMING AMENDMENT.—Clause (iii) of sec-  
18 tion 1(j)(4)(B) of the Internal Revenue Code of 1986 is  
19 amended—

20 (1) by striking “37 percent” and inserting  
21 “39.6 percent”,

22 (2) by striking “37-percent” in subclause (II)  
23 and inserting “39.6-percent”, and

1           (3) by striking “37-PERCENT” in the heading  
2           and inserting “39.6-PERCENT”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2019.

6 **SEC. 8. INCREASE IN CORPORATE INCOME TAX RATE.**

7           (a) IN GENERAL.—Subsection (b) of section 11 of the  
8 Internal Revenue Code of 1986 is amended by striking  
9 “21 percent” and inserting “23 percent”.

10          (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2019.