The Retirement Simplification and Clarity Act (RSCA)

(S.5156, Marshall-Gillibrand)

Background

- The bipartisan RSCA would provide workers with the option to use their 401(k) accounts to purchase deferred annuities outside of their 401(k) plans starting at age 50.
- Under current IRS retirement tax rules, workers younger than 59 ½ generally cannot move 401(k) contributions into an annuity without taxes or penalties.
- The RSCA would provide workers age 50 and older the option to roll over 401(k) funds to purchase tax-qualified deferred annuities.
- Extending the time horizon for workers to voluntarily consider their savings options to purchase pension-like streams of retirement income, boosts the ability of individuals to financially prepare for and manage retirement longevity.
- This measure is identical to H.R. 6324, bipartisan House legislation sponsored by Representatives Panetta (CA-19-D) and LaHood (IL-16-R).
- For further information and to cosponsor the bill, please contact Steve Hansen (Steve_Hansen@marshall.senate.gov) and Jill Crissman (Jill_Crissman@aging.senate.gov).

Endorsements

✓ "Planning for retirement should be easier, not harder," said David Chavern, President and CEO of the **American Council of Life Insurers**. "The *Retirement Simplification and Clarity Act* will give workers and retirees clearer information and access to more options as they plan for their future. Annuities have a unique role to play because they are the only financial product that can guarantee income for life. This legislation will help more Americans understand that value and make the choices that are right for them."

✓ "Workers across America are increasingly anxious about their financial futures. The bipartisan and bicameral *Retirement Simplification and Clarity Act* improves access to lifetime income and simplifies retirement decision-making. By modernizing outdated processes and removing unnecessary complexity, the bill helps workers better understand and utilize their savings to generate a pension-like stream of retirement income." **- National Association of Insurance and Financial Advisors** President Christopher Gandy.

✓ "The **National Association for Fixed Annuities** commends Senators Marshall and Gillibrand for their leadership in introducing the *Retirement Simplification and Clarity Act*. This important legislation closes an existing gap by allowing near-retirement workers to lock in guaranteed lifetime income before they leave the workforce, providing greater retirement security." – Chuck DiVencenzo, President and CEO, NAFA

✓ **"New York Life** supports the *Retirement Simplification and Clarity Act*, which would give workers more choices for turning their savings into guaranteed income in retirement. We thank Senators Gillibrand and Marshall for leading this bipartisan effort to help Americans build greater financial security."