

# 2026 Federal Retirement Security Blueprint

The enactment of the *Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019* and the *SECURE 2.0 Act of 2022* addressed some of the challenges facing America's workers and retirees in their pursuit of a secure and dignified retirement. While significant enhancements occurred, much more can be done to bolster retirement security in the United States.

IRI's 2026 Federal Retirement Security Blueprint offers Members of Congress, the White House, and federal agencies bipartisan, common-sense policies to help workers and retirees achieve financial security and sustain their income throughout retirement.

## IRI's 2026 Federal Retirement Security Blueprint Will:

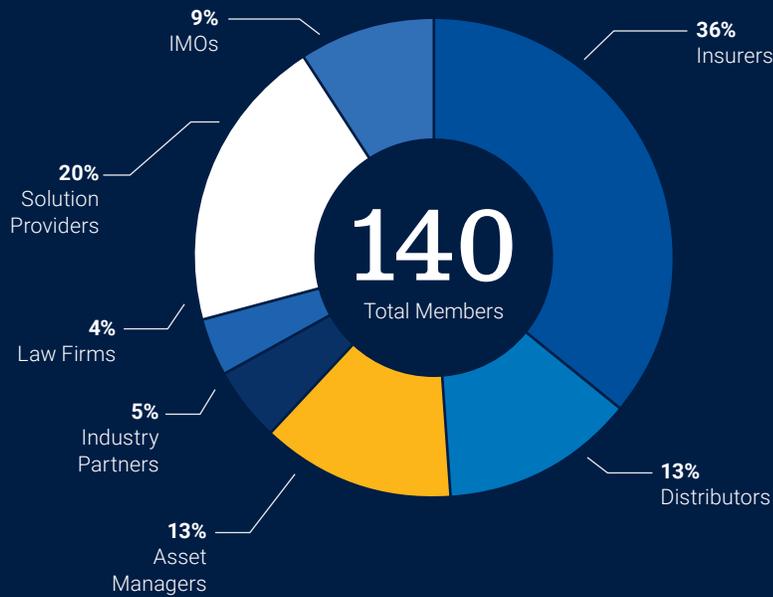
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# Who is IRI?

The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

Learn more at [irionline.org](http://irionline.org).

## Membership information



# Facilitate the Greater Use of Protected, Guaranteed Lifetime Income Solutions

## Enhance 403(b) Plans to Authorize the Use of CITs & Unregistered Insurance Company Separate Accounts

Participants in employer-provided 403(b) retirement plans, generally the employees of charities, public schools, colleges, universities, and hospitals, do not have access to the same cost-efficient investment options that are available to savers participating in 401(k), 457(b), the federal Thrift Savings Plan (TSP), and other plans. While the [SECURE 2.0 Act of 2022](#) effectuated necessary changes to the [Internal Revenue Code of 1986](#) to eliminate the disparity in treatment for 403(b) plan participants, amendments to federal securities law are required to complete the process.

### **Recommendation:**

- » Congress should enact the [Retirement Fairness for Charities and Educational Institutions Act](#) or Section 202 of the [Incentivizing New Ventures and Economic Strength Through Capital Formation \(INVEST\) Act](#) to amend the *Investment Company Act of 1940*, the *Securities Act of 1933*, and the *Securities Exchange Act of 1934* to provide parity to 403(b) plan participants and enable them to access the same cost-efficient investment options available to all other plan participants, including those that offer protected, guaranteed lifetime income.

## Expand the Use of Lifetime Income Products as Default Investment Options

Qualified default investment alternatives (QDIAs), created by the [Pension Protection Act of 2006](#), have proven to be an essential tool in enhancing retirement security for America's workers. The current Department of Labor regulations mandate that any fund in a QDIA must be available for the participant to transfer or withdraw "not less frequently than once in any three-month period," thereby inhibiting the use of certain investment options that do not meet specific liquidity requirements. As such, the liquidity requirement effectively disqualifies the use of protected, guaranteed lifetime income solutions that have delayed liquidity features – despite the fact that these features allow for the offering of higher returns.

### **Recommendation:**

- » Congress should enact the [Lifetime Income for Employees Act](#), which would allow plan sponsors to utilize annuities that provide a guaranteed return on investment and have delayed liquidity features as a default investment vehicle for a portion of contributions made by a retirement saver who has not made investment selections.

## Require Lifetime Income Options to be Offered in Defined Contribution Plans

Many of America’s workers and retirees are anxious about whether they have saved enough for retirement, with surveys showing that between half and two-thirds of workers and retirees worry their savings will not last, and nearly two-thirds say they fear running out of money in retirement more than death itself. Although most retirement savings now accumulate in employer-sponsored defined contribution plans, these plans rarely offer protected, guaranteed lifetime income options. As retirement savings have increasingly shifted into employer sponsored defined contribution plans, workers are bearing greater responsibility for managing longevity risk – often without access to tools designed to provide predictable, lifetime income. The Life Insurance Marketing and Research Association (LIMRA) reports that while 49 percent of private-sector plan sponsors with at least 10 employees have considered adding an in-plan annuity, employees today largely lack access to options that convert savings into reliable income for life.

### Recommendations:

- » Congress should enact legislation that requires defined contribution plans to give participants the option to direct a portion of their savings into protected, guaranteed lifetime income solutions. By making lifetime income a standard feature of the defined contribution plan, it would help workers to save with greater confidence, grow their retirement nest eggs, and enjoy the peace of mind that comes with having a guaranteed steady income throughout their retirement years.
- » Congress should enact legislation providing that employers who offer protected, guaranteed lifetime income solutions as a default distribution option for participants in defined contribution plans will have satisfied their fiduciary duties under the [Employee Retirement Income Security Act of 1974](#) (ERISA) so long as participants are notified of the default annuitization option and have the right to opt-out at the time of distribution.
- » Congress should enact legislation that would establish a “qualified payout option” (Q-PON) that requires employers who have at least ten employees and have provided a plan for at least three years to offer a combination of income and payout solutions that participants can select from at retirement. Some options that could be made available as a Q-PON include protected, guaranteed lifetime income solutions, systemic withdrawal options, managed payout options, and lump sum withdrawals. Q-PONs would apply to participants or beneficiaries or participants of a 401(k), profit-sharing 401(a), 403(b), or “Starter” 401(k) plan.

## Authorize the use of Indexed & Variable Annuities in QLACs

Qualified longevity annuity contracts (QLACs) are a valuable retirement income planning tool that addresses the risk many savers and retirees face of outliving accumulated retirement savings. The [SECURE 2.0 Act of 2022](#) directed the Treasury Department to amend the regulations governing QLACs to allow retirement savers to convert more of their savings into protected, guaranteed lifetime income. Additionally, the *SECURE 2.0 Act* established a 90-day “free-look” period to give investors time to ensure that they have selected a product that fits their needs while also clarifying the applicability of joint and survivor benefits in the event of divorce. However, the range of products eligible to be treated as QLACs remains limited.

### Recommendation:

- » Congress should enact legislation, such as Section 201(5) of the [Retirement Security and Savings Act of 2021](#), that would make a diverse slate of indexed and variable annuity contracts with guaranteed benefits eligible to be treated as QLACs to better meet the diverse needs of retirement savers.

## Establish a Safe Harbor for Selecting Annuities & Other In-Plan Lifetime Income Products

The [SECURE Act of 2019](#) enacted protections that enabled plan sponsors to rely on the expertise and diligence of state insurance commissioners in deciding to select an insurance company to provide protected, guaranteed lifetime income solutions as a part of a plan's investment menu. While the safe harbor enacted under the SECURE Act provides liability protection for a plan sponsor's selection of an insurance provider, that protection does not apply to selecting the insurance provider's protected, guaranteed lifetime income product.

### Recommendation:

- » Congress should enact legislation clarifying that the annuity selection safe harbor ([P.L.116-94, Div. O, Section 204](#)) will provide a plan sponsor with the same protections in selecting an annuity contract or other in-plan lifetime income products. This legislation should be tailored to ensure policymakers encourage the innovation, flexibility and adoption of safe and stable solutions. The amendment to existing law will provide plan sponsors with additional legal certainty and further facilitate access to and the use of protected, guaranteed lifetime income solutions within employer-sponsored retirement plans.

## Clarify Fiduciary Status for Providers of General Account Insurance Products in Workplace Retirement Plans

Many insurance companies offer products to retirement plans that are backed by the assets in their general account. Recently, the issuers of these products have been targeted by lawsuits seeking to hold them liable as fiduciaries under [ERISA](#). The litigation inhibits insurers from offering these products to retirement plans and their participants because of the legal risks of being subject to ERISA fiduciary liability and ERISA's stringent prohibited transaction rules. Attaching ERISA fiduciary duties to the issuers of general account products is unnecessary, as plan sponsors and other plan fiduciaries are already subject to these duties when deciding to offer these products to plan participants.

### Recommendation:

- » Congress should enact the [General Accounts Product Clarifications Act](#), which would amend ERISA to clarify that the offering and sale of general account products does not expose the insurer or its general account to fiduciary liability or ERISA plan asset status. This will ensure that retirement savers can continue to use these valuable products to achieve their retirement goals.

## Enable Savers to Purchase Lifetime Income as an In-Service Rollover

In-service rollovers currently allow retirement savers to transfer their balance between workplace-sponsored retirement savings, an individual retirement account (IRA), or — if the participant has access to an in-plan annuity — a lifetime income solution without having to incur penalties or taxes for withdrawing funds. For soon-to-be and recent retirees, rolling over a 401(k) plan into a lifetime income solution can be a useful strategy for building financial security in retirement. However, current law stipulates that plan participants without access to lifetime income distribution options must wait until age 59½ to purchase a lifetime income product.

### Recommendation:

- » Congress should enact the [Retirement Simplification and Clarity Act](#), which would allow workplace retirement plan participants aged 50+ the option to use special in-service rollover rules to purchase deferred income annuities. The bill also directs the Department of Labor (DOL) to implement Government Accountability Office (GAO) recommendations to update plan notices to provide those seeking a distribution from a 401(k) plan with clear information on available distribution options.

# Expand Opportunities to Save for Retirement

## Require Employers to Offer Retirement Plans to Employees

Nearly half of workers employed by companies in America are not offered a traditional pension or a retirement savings plan. About two-thirds of workers at companies that have between 10 and 24 employees and three-quarters of workers at companies with fewer than 10 employees are not covered by a retirement plan provided by their employer. Nearly 64 percent of Latino workers, 53 percent of Black workers, and 45 percent of Asian American workers do not have access to retirement savings at work. A recent study on the effects of a law that would require employers to provide retirement savings plans for their employees found that, over the next 10 years, an additional \$7 trillion in retirement savings would be generated, and 62 million new retirement savers would be created, with 98% of them earning less than \$100,000 per year. Among these new savers, there would be 7 million Black individuals and 10.8 million Latino individuals.

### Recommendation:

- » Congress should enact the [Automatic IRA Act of 2025](#), which would (1) require all but the smallest of employers to maintain a private-sector automatic retirement savings plan for employees, (2) provide those with \$200,000 or more saved with the opportunity to receive up to 50 percent of their vested balance in the form of protected, guaranteed lifetime income and (3) expand opportunities to save to gig economy workers by directing the Secretary of the Treasury by regulation or other guidance to provide for making available automatic IRAs to individuals who provide services that do not constitute employment.

## Automatically Re-Enroll Employees Within Three Years of Opting Out

The [SECURE 2.0 Act of 2022](#) requires all new 401(k) and 403(b) plans automatically enroll participants while preserving their right to opt out of coverage. Studies have shown that automatic enrollment features boost participation rates to more than 80 percent of employees, and for new hires automatically enrolled, 90 percent remain in their employer's plan after three years. Auto-enrollment has increased retirement plan participation across the board, but most critically for Black, Latino, and lower-wage employees.

### Recommendations:

- » Congress should enact the [Auto Re-enroll Act of 2025](#), to allow employer plan sponsors to automatically re-enroll employees who have opted out of their retirement plans at least every three years.
- » Congress should enact a law to amend the *Internal Revenue Code* to allow employers with 100 or fewer employees who have an automatic re-enrollment provision in their retirement plans a tax credit for \$500 in any taxable year occurring during a specified three-year credit period.

## Decrease the Age of Participation in Workplace Retirement Plans to Age 18

With fewer high school graduates enrolling in college, more young people are beginning their careers earlier. In doing so, they are challenged to start building their retirement nest eggs as current law limits the number of young people with access to employer-sponsored retirement plans. Evidence shows that starting to save for retirement early — even at modest levels — dramatically improves long-term outcomes, reduces required savings later in life, and increases the likelihood of achieving retirement security. A recent study found that 60 percent of employers do not offer benefits, including participation in retirement savings, to employees younger than 21 years of age.

### Recommendation:

- » Congress should enact the [Helping Young Americans Save for Retirement Act](#), which would reduce the age of participation in [ERISA](#) covered defined contribution retirement savings to age 18. The bill would reduce associated costs for employers offering participation to younger workers.

## Allow Catch-Up Contributions for Qualified Caregivers

Every year, millions of workers leave the workforce to provide full time care to a family member, sacrificing both income and access to employer sponsored retirement savings. This burden falls disproportionately on women, who make up 58 percent of the 40.4 million full time family caregivers. As a result, women's median retirement account balances are only one third to two thirds those of men.

### Recommendations:

- » Congress should enact the [Expanding Access to Retirement Savings for Caregivers Act](#), which would provide qualified caregivers with the opportunity to make catch-up contributions for a period of time equal to their time spent as a caregiver before reaching age 50.
- » Congress should enact the [Improving Retirement Security for Family Caregivers Act](#), which would allow individuals earning less than \$161,000 per year and who dedicate 500 or more hours a year to family caregiving to contribute up to \$7,000 per year into a Roth IRA.
- » Congress should enact the [Catching Up Family Caregivers Act](#), which would make family caregivers eligible for an extra year of catch-up contributions at the highest level for up to 5 years.

## Allow Roth IRAs to be Rolled Over into Roth Workplace Plans

Millions of our nation's households utilize a Roth Individual Retirement Account (IRA) to save for retirement. Current law, however, prohibits them from rolling their Roth IRA into employer-sponsored Roth retirement savings accounts. This prohibition prevents the consolidation of assets, increases costs associated with duplicative fees, and increases the risk of leakage from retirement savings.

### Recommendations:

- » Congress should enact [H.R.6757-118th Congress](#), which would amend the *Internal Revenue Code* to permit the rollover of contributions from a Roth IRA into employer-sponsored Roth 401(k), Roth 403(b), or Roth 457(b) plans.
- » Congress should further clarify that a rollover from an IRA into an employer-sponsored plan should not be treated as a qualified distribution.

## Offer Workplace Retirement Plans to State-Legal Cannabis Businesses

The [Controlled Substances Act](#) does not provide adequate certainty and clarity to facilitate and encourage the offering of retirement plans and individual retirement accounts to the more than 320,000 individuals employed by legally operating cannabis companies. Plan providers and employers currently lack the confidence to offer retirement plans without risking violating anti-money laundering laws despite the business being legal under state law. As additional states enact laws legalizing or decriminalizing cannabis, the industry's growing workforce continues to face a lack access to many standard employer-sponsored benefits.

### Recommendations:

- » Congress should enact legislation such as the [Secure and Fair Enforcement \(SAFE\) Banking Act](#) or the [SAFER Banking Act](#) to provide the needed protections and insulation from liability for both participants and institutions offering and administering retirement savings for state-regulated cannabis company employees.
- » The [SAFE Banking Act](#) and the [SAFER Banking Act](#) should be amended to provide certainty and clarity to broker-dealers and investment advisors. Such an amendment would further expand the universe of products and services available to legal cannabis business seeking to save for retirement.

# Foster Innovation, Modernization, Education, & Advice

## Support and Maintain Appropriate & Consistent Standards of Conduct for Financial Professionals

In recent years, the Securities and Exchange Commission (SEC), the DOL, the National Association of Insurance Commissioners (NAIC), and all fifty states insurance regulators have adopted robust and effective best interest requirements, including the SEC's Regulation Best Interest, the DOL's Prohibited Transaction Exemption 2020-02, and the NAIC's Annuity Best Interest Model Regulation. This comprehensive regulatory framework requires that all financial professionals act in their clients' best interest when providing advice and guidance about annuities to retirement savers, giving federal and state regulators all the tools they need to protect retirement savers and appropriately address the conduct of bad actors. With no evidence that retirement savers are being harmed as a result of any flaws or gaps in this comprehensive framework, the DOL's Biden-era fiduciary rule (formally known as the "Retirement Security Rule: Definition of an Investment Advice Fiduciary" ([RIN: 1210-AC02](#))) was a flawed solution in search of a problem. By imposing an unworkable, one-size-fits-all approach, that rule would have deprived millions of Americans of access to the products and services they need to achieve a secure and dignified retirement.

### **Recommendation:**

- » Congress and the Administration should take appropriate steps to support and uphold the existing frameworks across the SEC, the DOL, and the states to protect retirement savers from being harmed by the Biden-era fiduciary rule.

## Provide Retirement Income Education

ERISA generally focuses on retirement plan fiduciaries' responsibilities in helping their participants save for retirement. However, ERISA does not require plan fiduciaries to provide education and guidance to participants about using their savings to generate income in retirement.

### **Recommendation:**

- » Congress and the Administration should consider updating and amending ERISA to ensure workplace retirement plans focus on helping workers attain a secure retirement income. Requiring plan fiduciaries to provide "retirement income education" to employees throughout their working years will help better prepare them for retirement by increasing their awareness and understanding of the need to make their savings last throughout retirement. This education and guidance will also provide retirement plan fiduciaries with a blueprint for educating participants about their available retirement plan options.

## Include Retirement in Federal Student Loan, Job Training, & Apprenticeship Counseling

The federal government has mandated financial counseling for federal loan borrowers to improve their literacy upon entering and exiting college. However, these counseling sessions do not provide information about the variety of workplace retirement savings choices presented to college graduates entering the workforce. This lack of education is also an issue for individuals who have completed federally funded job training or apprenticeship programs.

### Recommendations:

- » Congress should enact the [Financial Fitness Act](#), which directs the Secretary of Education to create a centralized financial resources portal for recipients of federal financial aid that contains content about planning and saving for retirement among its financial literacy information.
- » Congress should also direct the Secretary of Labor to extend this resource to the recipients of federally funded job training and apprenticeship programs.

## Require the Inclusion of Longevity Risk Language in Annual Plan Notices

Retirement plans are currently required by the DOL to send annual notices to plan participants outlining information regarding fees and investment performance. These notices are intended to inform participants of all relevant plan factors. Notably absent from annual plan notices is any information regarding the risks and challenges associated with the distribution phase of retirement readiness — including the potential of outliving savings and mitigating that risk with protected, guaranteed lifetime income solutions.

### Recommendation:

- » The DOL should be directed to enhance required language of annual plan notices to warn of risks associated with an individual outliving retirement savings. Additionally, this warning should include an explanation of sources or protected, guaranteed lifetime income solutions, and factors to consider when selecting such a source as well as when determining the appropriate amount of guaranteed lifetime income.

## Authorize Consistent Registrations for Non-Variable Products

The enactment of the [Registration of Index-Linked Annuities \(RILA\) Act](#) directed the SEC to promulgate a new registration form tailored to registered index-linked annuities (RILAs) and provide effective disclosures to investors. The utilization of consistent, appropriate registration forms fosters innovation of products. Further, consistent registration and disclosure ensures that investors can easily find the information they need to make informed decisions without wading through irrelevant, excessive, and confusing disclosure documents.

### Recommendations:

- » The SEC should authorize using the revised Form N-4 to register Registered Market-Value Adjusted Annuities, Contingent Deferred Annuities, and all other non-variable annuities.
- » The SEC should amend Form N-6 in a manner consistent with the *RILA Act* and permit the registration of registered index-linked insurance products and all other non-variable insurance products on the amended Form N-6.
- » If the SEC does not authorize the use of Forms N-4 and N-6, Congress should enact legislation directing the Commission to allow the use of amended appropriate registration forms.

## Streamline How Consumers Receive Electronic Documents

Technology has advanced dramatically since the [Electronic Signatures in Global and National Commerce Act](#) was enacted twenty years ago. Concerns that consumers might lack access to the software needed to receive electronic documents are now outdated, as internet browsers and electronic forms are standardized and widely accessible. Additionally, the SEC recently rescinded Rule 30e-3, which had allowed shareholder reports to be delivered electronically. Demonstrating that the federal government is moving in the wrong direction.

Further, the SEC recently rescinded the applicability of Rule 30e-3, which had previously allowed for the electronic delivery of shareholder reports.

### Recommendations:

- » Congress should enact the [E-SIGN Modernization Act](#), which would remove outdated requirements on how consumers receive electronic communications and ensure that retirement savers can continue to choose how they receive and access their financial information.
- » Congress should enact the [Improving Disclosure for Investors Act](#) or Section 205 of the [Incentivizing New Ventures and Economic Strength Through Capital Formation \(INVEST\) Act](#), which would direct the SEC to write a rule permitting electronic delivery of shareholder reports for all registered investment companies.

## Authorize the National Use of Remote & Electronic Notarizations

Despite the increasing adoption of digital solutions for conducting business across industries, various laws and rules applied to the insured retirement industry require individuals to be physically present to conduct business and access the products and services needed to prepare for retirement. As federal and state regulators responded to the pandemic by authorizing temporary relief measures, virtual meetings, signatures, and notarizations were safe and effective ways to conduct business. It would be beneficial to consumers to make those interim measures permanent.

### Recommendation:

- » Congress should enact the [Securing and Enabling Commerce Using Remote and Electronic Notarization Act](#), which would establish minimum federal standards for the nationwide use of remote, online notarizations and ensure that all 50 states, the District of Columbia, and U.S. territories recognize the use of current technologies for interstate notarizations and essential transactions executed in the conduct of interstate commerce.

## Authorize Portability for SIMPLE IRA Savers

Congress has taken steps over the past several sessions to enhance portability among distinct types of retirement plans and IRAs. This has had extensive beneficial effects in enabling individuals to consolidate and manage their retirement savings more efficiently. However, rollovers are not currently allowed for SIMPLE IRAs to any other type of IRA or plan. Additionally, distributions from SIMPLE IRAs during the two-year period starting the first day of an individual's participation are subject to a 25 percent early distribution tax. This tax penalty is 15 percent higher than the penalty on early distributions from other plan types. Both rules are based on outdated concerns that savers would withdraw their savings too early from SIMPLE IRAs. Additionally, these rules have also had the negative effect of forcing employers to open a special new SIMPLE IRA to make contributions to an employee's existing IRA — incurring additional costs.

### Recommendation:

- » Congress should enact the [SAVE Act](#), which would repeal these restrictions on rollovers and the increased penalty. The bill also enables savers to have their employer make SIMPLE plan contributions to their existing IRAs.

## Expand the Use of Single Filing of Form 5500 to Group of Plans of All Sizes

The [SECURE Act of 2019](#) expanded access to workplace retirement savings by establishing several new retirement plan types that utilize economies of scale to reduce administrative burdens and legal risks for small and mid-sized businesses. One of the plan types established by the *SECURE Act* was the “Group of Plans” which are groups of individual standalone plans bound by mutual plan menus, named fiduciaries, plan years, trustees, and a single filing of Form 5500. The single filing was intended to streamline oversight and plan audits while reducing administrative costs. However, smaller plans — those with less than 100 participants — are now subject to additional auditing requirements, which they would have otherwise been exempt from had they been an individual plan.

### **Recommendation:**

- » Congress should enact legislation clarifying that plans filing under a Group of Plans should be allowed to file a single Form 5500 regardless of size since they utilize the same investment options, fiduciary, and trustees as larger-sized plans.

## Boost Protections to Safeguard Consumers

### Ensure a Balanced Approach to the Regulation of Environmental, Social, & Governance Investments

Investors generally, and retirement plan investors in particular, have demonstrated an interest in having access to investment options that align with environmental, social, and governance (ESG) objectives. In November 2022, the DOL issued a final rule on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights, which clarifies that a fiduciary’s determination with respect to the selection of investment options for their plan must be based on factors that the fiduciary reasonably determines are relevant to a risk and return analysis, and that such factors may include the economic effects of climate change and other environmental, social, or governance factors on the particular investment. This rule treats ESG factors no differently than non-ESG factors if investment options are selected in compliance with the [ERISA](#) fundamental principles of prudence and loyalty.

### **Recommendation:**

- » Congress should enact legislation that codifies the principle of neutrality in considering ESG and non-ESG factors, so long as the principles of prudence and loyalty are met by a plan fiduciary.

### Establish a Federal Regulatory Framework to Govern the Use of Cryptocurrency in Retirement Plans

Interest in cryptocurrency as an investment option in retirement plans has grown substantially over the past few years. While there have been attempts to bring cryptocurrencies into the mainstream, concerns about their inclusion on retirement plan investment menus have arisen due to the volatile nature of this relatively new and developing market. This volatility is due, in part, to the fact that the market and cryptocurrencies are generally not backed or regulated by the government.

### **Recommendation:**

- » Congress should examine and develop an appropriate federal regulatory framework to effectively oversee cryptocurrencies and the cryptocurrency market in general, as well as the potential use of cryptocurrencies in retirement in particular. This new regulatory framework must be properly structured to ensure its effectiveness for the wide range of available products in today’s market while preserving adequate flexibility to adapt to innovative new products that could be introduced in the future. Moreover, the regulatory framework must strike an appropriate balance between investor protection needs and preserving investor access to products and services that could help them achieve their financial objectives.

## Strike a Balanced Approach to Regulating the Use of AI by the Insured Retirement Industry

The use of generative artificial intelligence (AI) is revolutionizing the way the world communicates and conducts business. The insured retirement industry is no different in looking at how to adopt innovative technology to enhance retirement savers' experience while building their financial security. These tools can be used to increase accuracy in analysis, detect and prevent fraud, improve client interactions, manage portfolios, and more.

### Recommendation:

- » Congress and the Administration should examine the growing use of generative AI and consider existing insurance regulations, such as the NAIC's Model Bulletin on the Use of Artificial Intelligence by Insurers, before developing a federal regulatory framework to govern its use by the insured retirement industry.

## Increase Protections and Resources to Combat Financial Fraud & Exploitation

Congress should continue to develop solutions aimed at staying ahead of bad actors looking to defraud older and other vulnerable savers. The enactment of the [SeniorSafe Act](#) established a path for financial institutions' employees to be educated to recognize and report suspected exploitation and fraud.

Recently enacted federal and state laws have empowered financial industry professionals to report suspected elder financial exploitation cases to appropriate government agencies, such as state Adult Protective Services (APS). Unfortunately, APS offices across the country, primarily funded by their states, lack adequate funding to hire staff, invest in new technologies and educational resources, and thoroughly investigate reports of suspected financial abuse.

### Recommendations:

- » Congress should enact the [Senior Security Act](#) or Section 204 of the [Incentivizing New Ventures and Economic Strength Through Capital Formation \(INVEST\) Act](#) to establish a task force at the SEC to investigate the challenges facing older Americans and make recommendations to Congress about measures to further protect them from the economic impact and consequences of financial exploitation.
- » Congress should enact the [Financial Exploitation Prevention Act](#), which would enable open-ended investment companies, courts, and state regulators to delay the redemption of a security in cases of suspected exploitation.
- » Congress should enact the [Empowering States to Protect Seniors from Bad Actors Act](#), which would establish a program at the SEC's Office of the Investor Advocate to provide grant funding on a competitive basis to state insurance and securities departments, agencies, or commissions to combat financial exploitation and fraud.
- » Congress should enact the [Elder Justice Reauthorization and Modernization Act](#), which would reauthorize federal assistance for under-funded state APS agencies.

## Increase Protections & Safeguards for Personal Financial Information

With the insured retirement industry increasing its use of digital solutions to improve the experience of retirement savers, it remains vital that procedures are put in place to safeguard consumers' personal data and strengthen breach notification processes to protect consumers better.

### Recommendations:

- » Congress should enact legislation establishing uniform standards for privacy, security, and notification requirements that preempt the growing patchwork of state regulatory regimes.
- » Congress should consider the unique aspects of different industries by providing a broadly applicable framework that takes existing federal protections — such as those provided under the [Gramm-Leach-Bliley Act](#) — into consideration.
- » Congress should ensure that legislation enacted relies on regulatory enforcement rather than a private right of action.

## Prohibit the Private Collection of Tax Debt Owed by Older Americans

One of the most prevalent scams targeting senior citizens involves impersonating Internal Revenue Service (IRS) officials seeking to collect a past-due tax debt. These bad actors have an air of authenticity because the IRS was mandated to use private collection agencies to collect tax debts. Since 2013, more than 2.4 million Americans have been targeted by scammers impersonating IRS officials, and more than 14,700 taxpayers have lost more than \$72.8 million. In these cases, criminals threaten victims with foreclosure, arrest, or deportation if payment is not made. As the IRS only corresponds with taxpayers via mail, a law prohibiting the use of private collection agencies to collect tax debts from older Americans will help prevent them from becoming victims of this scam and potentially losing their hard-earned savings by delegitimizing any email or phone call from third parties appearing to be seeking to collect tax debt from those 65 and older.

### Recommendation:

- » Congress should amend the law mandating the IRS's use of private debt collection agencies to prohibit the assignment of tax debt of any individual over the age of 65 to any authorized private debt collection agency.

## Increase Awareness of Account Takeover Fraud

Third-party account takeover (ATO) attacks on life insurance, annuity, and retirement savings accounts have significantly increased in volume since the COVID-19 pandemic. Sophisticated bad actors use stolen account details and personally identifiable information (PII) to impersonate the legitimate account owner to obtain funds fraudulently. According to the Financial Crimes Enforcement Network, these attacks are particularly insidious as bad actors will often use one stolen account to access additional accounts owned by the same consumer — possibly taking control of all a consumer's finances. As ATO attacks have increased, so have the retirement income industry's protection and response capabilities. Ninety-six percent of companies surveyed for LIMRA's 2022 Financial Crimes and Fraud Prevention Study said they were maintaining or increasing their spending on fraud prevention and customer authentication capabilities. While the insured retirement industry continues to implement solutions to thwart attacks, prosecution of fraudsters by the government and law enforcement has been underwhelming.

### Recommendation:

- » IRI will work with Congress, law enforcement, and state regulators to emphasize the need for increased resources to investigate and prosecute the bad actors committing these crimes against Americans' financial security.

# Authorize New Tax Incentives to Bolster Retirement Savings

## Provide Nonprofit Organizations Access to Plan Start-Up Credits

The [SECURE 2.0 Act of 2022](#) created new tax credits to encourage small employers to start retirement plans and adopt features like automatic enrollment. However, these credits apply only to for-profit businesses, leaving nonprofits without comparable incentives to establish retirement savings plans.

### **Recommendation:**

- » Congress should enact legislation, such as the [Small Nonprofit Retirement Security Act](#), which would provide up to \$5,000 per year in tax credits to nonprofits that start a retirement plan and another \$500 annually for nonprofits that incorporate automatic enrollment as a plan feature.

## Increase the Tax Credit for Adoption of Automatic Enrollment & Escalation Features

The number of employers incorporating automatic enrollment and escalation features, small businesses continue to lag in adoption. This is due to, in part, concerns about the expense of adding additional features to plans. While the [SECURE 2.0 Act of 2022](#) provided small employers with a tax credit of \$500 per year for the first three years their plan includes features to automatically enroll and escalate participants' savings rates, an increased incentive could help facilitate the use of these features by small businesses.

### **Recommendation:**

- » Congress should enact legislation that increases the tax credit for small businesses that adopt automatic enrollment and escalation features into their retirement savings plan.

## Provide Favorable Tax Treatment for Guaranteed Lifetime Income

Distributions and withdrawals from protected, guaranteed lifetime income products — like annuities — are currently taxed as ordinary income. However, these products provide significant social and economic benefits. By helping older Americans avoid outliving their assets, lifetime income from annuities can reduce pressure on Social Security and other social safety nets.

### **Recommendation:**

- » Congress should create tax incentives — such as a lower tax rate, an exclusion of a portion of lifetime annuity income from taxation, or an increased catch-up contribution — to encourage greater use of guaranteed lifetime income products.





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