



Legislative and Regulatory Report

A monthly review of the latest information of importance to retirement plan sponsors

October 2022

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Senate confirms EBSA secretary

On September 29, the Senate [confirmed](#) Lisa Gomez to be Assistant Secretary of Labor for the Employee Benefits Security Administration (EBSA) at the Department of Labor (DOL). Gomez was confirmed by a 49-36 vote, without the support of any Senate Republicans. In June, the Senate failed to confirm Gomez by a vote of 49-51. In a surprising development at the time, Sen. Lisa Murkowski (R-AK) — who had previously voted to approve Gomez’s nomination in the Senate HELP Committee — voted against the nomination on the Senate floor, causing a 50-50 tie vote.

Lawmakers seek certainty for alternative assets in retirement plans

On September 29, Sen. Pat Toomey (R-PA) [introduced](#) S. 4973, the Retirement Savings Modernization Act. It clarifies that no asset class (e.g., private equity, digital assets) is per se imprudent under ERISA. The bill largely reflects current law, in which the determination of whether any investment is prudent is a facts and circumstances test. Rep. Peter Meijer (R-MI) introduced a companion bill in the House.

Tip: Click on highlighted words to go to the topic being discussed.

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IRS issues stretch-IRA RMD relief

On October 7, the IRS [released Notice 2022-53](#), which provides relief for failures in 2021 and 2022 to comply with the IRS interpretation of the “10-year rule” as reflected in the recently proposed regulations regarding required minimum distributions (RMDs) during the 10-year period. The SECURE Act provisions designed to eliminate “stretch-IRAs” generally impose a 10-year deadline for making distributions to beneficiaries of defined contribution (DC) plans and IRAs who are not “eligible” designated beneficiaries. Prior to the proposed regulations being released, [a number of commentators and financial advisers](#) thought that the 10-year rule would be interpreted as not requiring any distributions during the 10-year period, regardless of when or how the 10-year rule is triggered. The Notice also states that final regulations will apply no earlier than the 2023 distribution calendar year.

IRS announces increased retirement plan contribution limits

On October 21, the IRS [announced](#) the amount that individuals can contribute to their 401(k) plans in 2023 has increased to \$22,500, up from \$20,500 for 2022. The IRS also issued technical guidance regarding all of the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2023 in [Notice 2022-55](#). The key numbers from the announcement include:

- Elective deferral limit for 401(k), 403(b) and 457(b) plans: \$22,500, up from \$20,500
- Catch-up contribution limit: \$7,500, up from \$6,500
- Total annual additions (415(c)): \$66,000, up from \$61,000
- IRA contribution limit: \$6,500, up from \$6,000
- Compensation threshold (401(a)(17)): \$330,000, up from \$305,000

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References and source material used in this publication

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“Notice 2022-53: Certain Required Minimum Distributions for 2021 and 2022,” <https://info.groom.com/28/1087/uploads/n-22-53.pdf> (accessed October 31, 2022).

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Keeping watch

You can find the most recent information on issues affecting governmental defined contribution plans, plan sponsors and plan participants on the Employer page of our plan website, NRSforu.com/plansponsor.



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NRM-21964AO (11/22)

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