



Happening Now – Proposed 401(k) Plan Legislation

Terri L. Bolyard

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On May 18, 2011, Senators Herb Kohl (D-WI) and Mike Enzi (R-WY) introduced new legislation to the Senate Finance Committee that is designed to protect retirement savings in 401(k) plans. If adopted into law as written, the Savings Enhancement by Alleviating Leakage in 401(k) Savings Act of 2011 (the "SEAL Act") would give terminated plan participants a longer period of time in which to repay plan loans, cap the maximum number of outstanding plan loans for any one participant at three, permit continued elective deferral contributions after receipt of a hardship distribution, and prohibit plans from issuing loans through debit cards. Our employee benefits attorneys are continuing to monitor the progress of this legislation and will provide timely updates to our clients.

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