

115TH CONGRESS
1ST SESSION

H. R. 1083

To establish an American Savings Account Fund and create a retirement savings plan available to all employees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2017

Mr. HUFFMAN (for himself, Ms. BONAMICI, Ms. LOFGREN, Mrs. NAPOLITANO, Mr. GARAMENDI, Ms. LEE, Mr. THOMPSON of California, Mr. VARGAS, Mr. TED LIEU of California, Mr. TAKANO, Mr. MEEKS, and Mr. CONYERS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To establish an American Savings Account Fund and create a retirement savings plan available to all employees, 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 “American Savings Ac-
5 count Act of 2017”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—ADMINISTRATION

- Sec. 101. American Savings Account Board of Directors.
- Sec. 102. Responsibilities of American Savings Account Board of Directors.
- Sec. 103. Fiduciary responsibilities; liability and penalties.
- Sec. 104. American Savings Account Fund Advisory Council.

TITLE II—AMERICAN SAVINGS ACCOUNT FUND

- Sec. 201. American Savings Account Fund.
- Sec. 202. Tax treatment of the American Savings Account Fund.

TITLE III—AMERICAN SAVINGS ACCOUNTS

- Sec. 301. American Savings Accounts.
- Sec. 302. Employer requirements.
- Sec. 303. State retirement savings plans.
- Sec. 304. Definitions.

TITLE IV—CONFORMING AMENDMENTS

- Sec. 401. American Savings Accounts.
- Sec. 402. Penalty for employer noncompliance.
- Sec. 403. Outreach.
- Sec. 404. Independent contractors.

1 **TITLE I—ADMINISTRATION**2 **SEC. 101. AMERICAN SAVINGS ACCOUNT BOARD OF DIREC-**
3 **TORS.**

4 (a) IN GENERAL.—There is established an American
5 Savings Account Board of Directors (hereafter referred to
6 in this title as the “Board”) as a federally chartered orga-
7 nization. Except as otherwise provided, such Board has
8 perpetual existence.

9 (b) PURPOSE.—The purpose of the Board is—

10 (1) to establish policies for the investment and
11 management of the American Savings Account
12 Fund; and

13 (2) to carry out the responsibilities of the
14 Board under section 102.

1 (c) MEMBERSHIP.—The Board shall be composed of
2 9 members appointed by the President in consultation
3 with the Secretary of Labor and with the advice and con-
4 sent of the Senate, to include—

5 (1) the Secretary of Labor or a delegate of the
6 Secretary;

7 (2) 1 representative of employers;

8 (3) 1 representative of the private retirement
9 savings investment industry;

10 (4) 1 representative of employees;

11 (5) 1 representative of retirees; and

12 (6) the Executive Director and 3 additional
13 members of the Federal Retirement Thrift Invest-
14 ment Board established under section 8472(a) of
15 title 5, United States Code.

16 Of such 9 members, 1 shall be elected by the members
17 of the Board as the Chair.

18 (d) TERMS AND VACANCIES.—

19 (1) TERM.—A member of the Board shall be
20 appointed for a term of 4 years and, after the expi-
21 ration of such term, may be reappointed immediately
22 to a subsequent term.

23 (2) VACANCY.—A vacancy on the Board shall
24 be filled in the manner in which the original appoint-
25 ment was made and shall be subject to any condi-

1 tions which applied with respect to the original ap-
2 pointment. An individual chosen to fill a vacancy
3 shall be appointed for the unexpired term of the
4 member replaced.

5 (3) EXPIRATION.—The term of any member
6 shall not expire before the date on which the mem-
7 ber's successor takes office.

8 (e) RESPONSIBILITY.—The members of the Board
9 shall discharge their responsibilities solely in the interest
10 of participants and beneficiaries under this title.

11 (f) COMPENSATION.—

12 (1) IN GENERAL.—Each member of the Board
13 who is not an officer or employee of the Federal
14 Government shall be compensated at the daily rate
15 of basic pay for grade GS–18 of the General Sched-
16 ule under subchapter III of chapter 53 of title 5,
17 United States Code, for each day during which such
18 member is engaged in performing a function of the
19 Board.

20 (2) PER DIEM, ETC.—A member of the Board
21 shall be paid travel, per diem, and other necessary
22 expenses while traveling away from such member's
23 home or regular place of business in the perform-
24 ance of the duties of the Board.

1 (3) PAYMENTS.—Payments authorized under
2 this subsection shall be paid from the American Sav-
3 ings Account Fund.

4 **SEC. 102. RESPONSIBILITIES OF AMERICAN SAVINGS AC-**
5 **COUNT BOARD OF DIRECTORS.**

6 (a) ESTABLISHMENT OF INVESTMENT FUNDS AND
7 OPTIONS.—The Board shall select or establish a list of
8 investment funds and options similar to those described
9 in subsection (b) of section 8438 of title 5, United States
10 Code, among which an individual participating in an
11 American Savings Account established under section
12 103(a) may elect under subsection (b)(2).

13 (b) INVESTMENT OF SUMS.—

14 (1) IN GENERAL.—The Chair of the Board
15 shall invest the sums available in the American Sav-
16 ings Account Fund for investment as provided in
17 elections made under paragraph (2). If an election
18 has not been made with respect to any sums in the
19 American Savings Account Fund available for in-
20 vestment, the Chair shall invest such sums in a port-
21 folio similar to the age-appropriate target date asset
22 allocation portfolio established by the Federal Re-
23 tirement Thrift Investment Board under section
24 8438(b) of title 5, United States Code, in the same
25 manner as sums in the Thrift Savings Fund estab-

lished under section 8437 of title 5, United States Code, are invested under such section.

(2) ELECTION.—

(A) IN GENERAL.—At least twice each year, an individual participating in an American Savings Account established under subsection (c)(1) may elect any of the investment funds and options referred to in subsection (a) into which the sums in the American Savings Account Fund credited to such individual's American Savings Account are to be invested or reinvested in the same manner as sums in the Thrift Savings Fund are invested under section 8438 of title 5, United States Code.

(B) FORM AND MANNER OF ELECTION.—

An election may be made under subparagraph (A) only in such manner and within such period as shall be provided by the Chair of the Board.

(c) ACCOUNTING AND INFORMATION.—

(1) IN GENERAL.—The Chair of the Board shall establish and maintain—

(A) an American Savings Account described in paragraph (1) of section 301(a); or

(B) at the election of the individual pursuant to section 301(b)(2), an American Savings

1 Account described in paragraph (2) of section
2 301(a),
3 for each individual who makes contributions under
4 section 301(b)(3), or for whom contributions are
5 made under section 302, to the American Savings
6 Account Fund.

7 (2) BALANCE; ALLOCATION OF EARNINGS AND
8 LOSSES, ETC.—Rules similar to the rules of para-
9 graphs (2) and (3) of section 8439(a) of title 5,
10 United States Code, shall apply for purposes of an
11 individual's American Savings Account established
12 under paragraph (1).

13 (3) EXAMINATION BY QUALIFIED PUBLIC AC-
14 COUNTANT; REPORTING, ETC.—Rules similar to the
15 requirements of subsections (b), (c), and (d) of sec-
16 tion 8439 of title 5, United States Code, shall apply
17 with respect to individuals for whom an American
18 Savings Account is maintained under this subsection
19 (in the case of such subsection (d), applied as if each
20 such individual were an employee described in such
21 subsection).

22 (d) REPORTING REQUIREMENTS.—

23 (1) ANNUAL REPORT.—The Board shall, not
24 later than June 30 of each year, submit to Congress
25 an annual report on the operations of the American

1 Savings Account Fund. Such report shall include,
2 for the prior calendar year, information on the num-
3 ber of participants as of the last day of such prior
4 calendar year, the median balance in participants'
5 accounts as of such last day, demographic informa-
6 tion on participants, the percentage allocation of
7 amounts among investment funds or options, the
8 status of the development and implementation of the
9 mutual fund window, the diversity demographics of
10 any company, investment adviser, or other entity re-
11 tained to invest and manage the assets of the Amer-
12 ican Savings Account Fund, and such other informa-
13 tion as the Board considers appropriate. A copy of
14 each annual report under this subsection shall be
15 made available to the public through an Internet
16 website.

17 (2) REPORTING OF FEES AND OTHER INFORMA-
18 TION.—

19 (A) IN GENERAL.—The Board shall pro-
20 vide to each individual for whom an account is
21 maintained—

22 (i) a periodic statement relating to the
23 individual's account;

24 (ii) a summary description of the in-
25 vestment funds and options under sub-

1 section (a) covering, and an evaluation of,
2 each such option during the 5-year period
3 preceding the date as of which such eval-
4 uation is made;

5 (iii) a statement of the amount of the
6 investment management fees, administra-
7 tive expenses, and any other fees or ex-
8 penses paid with respect to each such in-
9 vestment fund and option; and

10 (iv) a statement notifying participants
11 as to how they may access the annual re-
12 port described in paragraph (1), as well as
13 any other information concerning Amer-
14 ican Savings Accounts that might be use-
15 ful.

16 If the fees and expenses described in clause (iii)
17 exceed the fees charged to a similarly situated
18 individual who contributes to the Thrift Savings
19 Fund established under section 8437 of title 5,
20 United States Code, the information required
21 under the preceding sentence shall include a
22 statement identifying the reason for such ex-
23 cess.

24 (B) TIME WHEN SENT.—Information
25 under subparagraph (A) with respect to each

1 participant shall be provided immediately upon
2 payment of the participant's first contribution
3 to the American Savings Account Fund and on
4 a regular basis thereafter, in a manner designed
5 to facilitate informed decisionmaking with re-
6 spect to elections under subsection (b)(2).
7 Nothing in this subparagraph shall be consid-
8 ered to limit the dissemination of information
9 only to the times required under the preceding
10 sentence.

11 (C) USE OF ESTIMATES.—For purposes of
12 providing the information required under this
13 paragraph, the Board may provide a reasonable
14 and representative estimate of any fees or ex-
15 penses described in subparagraph (A) and shall
16 indicate any such estimate as being such an es-
17 timate. Any such estimate shall be based on the
18 previous year's experience.

19 **SEC. 103. FIDUCIARY RESPONSIBILITIES; LIABILITY AND**
20 **PENALTIES.**

21 (a) DEFINITIONS.—For purposes of this section—

22 (1) the term “adequate consideration” means—

23 (A) in the case of a security for which
24 there is a generally recognized market—

1 (i) the price of the security prevailing
2 on a national securities exchange which is
3 registered under section 6 of the Securities
4 Exchange Act of 1934; or

5 (ii) if the security is not traded on
6 such a national securities exchange, a price
7 not less favorable to the American Savings
8 Account Fund than the offering price for
9 the security as established by the current
10 bid and asked prices quoted by persons
11 independent of the issuer and of any party
12 in interest; and

13 (B) in the case of an asset other than a se-
14 curity for which there is a generally recognized
15 market, the fair market value of the asset as
16 determined in good faith by a fiduciary or fidu-
17 ciaries in accordance with regulations pre-
18 scribed by the Secretary of Labor;

19 (2) the term “fiduciary” means—

20 (A) a member of the Board, including the
21 Chair;

22 (B) any person who has or exercises dis-
23 cretionary authority or discretionary control
24 over the management or disposition of the as-

1 sets of the American Savings Account Fund;
2 and

3 (C) any person who, with respect to the
4 American Savings Account Fund, is described
5 in section 3(21)(A) of the Employee Retirement
6 Income Security Act of 1974; and

7 (3) the term “party in interest” includes—

8 (A) any fiduciary;

9 (B) any counsel to a person who is a fidu-
10 ciary, with respect to the actions of such person
11 as a fiduciary;

12 (C) any participant;

13 (D) any person providing services to the
14 Board and, with respect to the actions of the
15 Chair as a fiduciary, any person providing serv-
16 ices to the Chair;

17 (E) a labor organization, the members of
18 which are participants;

19 (F) a spouse, sibling, ancestor, lineal de-
20 scendant, or spouse of a lineal descendant of a
21 person described in subparagraph (A), (B), or
22 (D);

23 (G) a corporation, partnership, or trust or
24 estate of which, or in which, at least 50 percent
25 of—

1 (i) the combined voting power of all
2 classes of stock entitled to vote or the total
3 value of shares of all classes of stock of
4 such corporation;

5 (ii) the capital interest or profits in-
6 terest of such partnership; or

7 (iii) the beneficial interest of such
8 trust or estate,
9 is owned, directly or indirectly, or held by a
10 person described in subparagraph (A), (B), (D),
11 or (E);

12 (H) an official (including a director) of, or
13 an individual employed by, a person described
14 in subparagraph (A), (B), (D), (E), or (G), or
15 an individual having powers or responsibilities
16 similar to those of such an official;

17 (I) a holder (directly or indirectly) of at
18 least 10 percent of the shares in a person de-
19 scribed in any subparagraph referred to in sub-
20 paragraph (H); and

21 (J) a person who, directly or indirectly, is
22 at least a 10 percent partner or joint venturer
23 (measured in capital or profits) in a person de-
24 scribed in any subparagraph referred to in sub-
25 paragraph (H).

1 (b) IN GENERAL.—

2 (1) DISCHARGE OF RESPONSIBILITIES.—To the
3 extent not inconsistent with the provisions of this
4 title and the policies prescribed by the Board, a fidu-
5 ciary shall discharge the fiduciary’s responsibilities
6 with respect to the American Savings Account Fund
7 or applicable portion thereof solely in the interest of
8 the participants and beneficiaries and—

9 (A) for the exclusive purpose of—

10 (i) providing benefits to participants
11 and their beneficiaries; and

12 (ii) defraying reasonable expenses of
13 administering the American Savings Ac-
14 count Fund or applicable portions thereof;

15 (B) with the care, skill, prudence, and dili-
16 gence under the circumstances then prevailing
17 that a prudent individual acting in a like capac-
18 ity and familiar with such matters would use in
19 the conduct of an enterprise of a like character
20 and with like objectives; and

21 (C) to the extent permitted by this title, by
22 diversifying the investments of the American
23 Savings Account Fund or applicable portions
24 thereof so as to minimize the risk of large

1 losses, unless under the circumstances it is
2 clearly prudent not to do so.

3 (2) OWNERSHIP.—No fiduciary may maintain
4 the indicia of ownership of any assets of the Amer-
5 ican Savings Account Fund outside the jurisdiction
6 of the district courts of the United States.

7 (c) PROHIBITED TRANSACTIONS.—

8 (1) IN GENERAL.—A fiduciary shall not permit
9 the American Savings Account Fund to engage in
10 any of the following transactions, except in exchange
11 for adequate consideration:

12 (A) A transfer of any assets of the Amer-
13 ican Savings Account Fund to any person the
14 fiduciary knows or should know to be a party
15 in interest or the use of such assets by any such
16 person.

17 (B) An acquisition of any property from or
18 sale of any property to the American Savings
19 Account Fund by any person the fiduciary
20 knows or should know to be a party in interest.

21 (C) A transfer or exchange of services be-
22 tween the American Savings Account Fund and
23 any person the fiduciary knows or should know
24 to be a party in interest.

1 (2) SPECIAL RULES.—Notwithstanding para-
2 graph (1), a fiduciary with respect to the American
3 Savings Account Fund shall not—

4 (A) deal with any assets of the American
5 Savings Account Fund in the fiduciary's own
6 interest or for the fiduciary's own account;

7 (B) act, in an individual capacity or any
8 other capacity, in any transaction involving the
9 American Savings Account Fund on behalf of a
10 party, or representing a party, whose interests
11 are adverse to the interests of the American
12 Savings Account Fund or the interests of its
13 participants or beneficiaries; or

14 (C) receive any consideration for the fidu-
15 ciary's own personal account from any party
16 dealing with sums credited to the American
17 Savings Account Fund in connection with a
18 transaction involving assets of the American
19 Savings Account Fund.

20 (3) GRANTING OF EXEMPTIONS.—

21 (A) The Secretary may, in accordance with
22 procedures which the Secretary shall by regula-
23 tion prescribe, grant a conditional or uncondi-
24 tional exemption of any fiduciary or trans-
25 action, or class of fiduciaries or transactions,

1 from all or part of the restrictions imposed by
2 paragraph (2).

3 (B) An exemption granted under this para-
4 graph shall not relieve a fiduciary from any
5 other applicable provision of this title.

6 (C) The Secretary may not grant an ex-
7emption under this paragraph unless the Sec-
8retary finds that such exemption is—

9 (i) administratively feasible;

10 (ii) in the interests of the American
11 Savings Account Fund and of its partici-
12 pants and beneficiaries; and

13 (iii) protective of the rights of partici-
14 pants and beneficiaries of such Fund.

15 (D) An exemption under this paragraph
16 may not be granted unless—

17 (i) notice of the proposed exemption is
18 published in the Federal Register;

19 (ii) interested persons are given an
20 opportunity to present views; and

21 (iii) the Secretary affords an oppor-
22 tunity for a hearing and makes a deter-
23 mination on the record with respect to the
24 respective requirements of clauses (i), (ii),
25 and (iii) of subparagraph (C).

1 (E) Notwithstanding subparagraph (D),
2 the Secretary may determine that an exemption
3 granted for any class of fiduciaries or trans-
4 actions under section 408(a) of the Employee
5 Retirement Income Security Act of 1974 shall,
6 upon publication of notice in the Federal Reg-
7 ister under this subparagraph, constitute an ex-
8 emption for purposes of the provisions of para-
9 graph (2).

10 (d) ALLOWANCES.—This section does not prohibit
11 any fiduciary from—

12 (1) receiving any benefit which the fiduciary is
13 entitled to receive under this title as a participant or
14 beneficiary;

15 (2) receiving any reasonable compensation au-
16 thorized by this title for services rendered, or for re-
17 imbursement of expenses properly and actually in-
18 curred, in the performance of the fiduciary's duties
19 under this title; or

20 (3) serving as a fiduciary in addition to being
21 an officer, employee, agent, or other representative
22 of a party in interest.

23 (e) LIABILITY.—

24 (1) IN GENERAL.—

1 (A) Any fiduciary that breaches the re-
2 sponsibilities, duties, and obligations set out in
3 subsection (b) or violates subsection (c) shall be
4 personally liable to the American Savings Ac-
5 count Fund for any losses to such Fund result-
6 ing from each such breach or violation and to
7 restore to such Fund any profits made by the
8 fiduciary through use of assets of such Fund by
9 the fiduciary, and shall be subject to such other
10 equitable or remedial relief as a court considers
11 appropriate, except as provided in paragraphs
12 (3) and (4). A fiduciary may be removed for a
13 breach referred to in the preceding sentence.

14 (B) The Secretary may assess a civil pen-
15 alty against a party in interest with respect to
16 each transaction which is engaged in by the
17 party in interest and is prohibited by subsection
18 (c). The amount of such penalty shall be equal
19 to 5 percent of the amount involved in each
20 such transaction (as defined in section
21 4975(f)(4) of the Internal Revenue Code of
22 1986) for each year or part thereof during
23 which the prohibited transaction continues, ex-
24 cept that, if the transaction is not corrected (in
25 such manner as the Secretary shall prescribe by

1 regulation consistent with section 4975(f)(5) of
2 such Code) within 90 days after the date the
3 Secretary transmits notice to the party in inter-
4 est (or such longer period as the Secretary may
5 permit), such penalty may be in an amount not
6 more than 100 percent of the amount involved.

7 (C)(i) A fiduciary shall not be liable under
8 subparagraph (A) with respect to a breach of fi-
9 duciary duty under subsection (b) committed
10 before becoming a fiduciary or after ceasing to
11 be a fiduciary.

12 (ii) A fiduciary shall not be liable
13 under subparagraph (A), and no civil ac-
14 tion may be brought against a fiduciary—

15 (I) for providing for the auto-
16 matic enrollment of a participant in
17 accordance with this title; or

18 (II) for enrolling a participant or
19 beneficiary in a default investment
20 fund or option in accordance with this
21 title.

22 (D) A fiduciary shall be jointly and sever-
23 ally liable under subparagraph (A) for a breach
24 of fiduciary duty under subsection (b) by an-
25 other fiduciary only if—

1 (i) the fiduciary participates know-
2 ingly in, or knowingly undertakes to con-
3 ceal, an act or omission of such other fidu-
4 ciary, knowing such act or omission is such
5 a breach;

6 (ii) by the fiduciary's failure to com-
7 ply with subsection (b) in the administra-
8 tion of the fiduciary's specific responsibil-
9 ities which give rise to the fiduciary status,
10 the fiduciary has enabled such other fidu-
11 ciary to commit such a breach; or

12 (iii) the fiduciary has knowledge of a
13 breach by such other fiduciary, unless the
14 fiduciary makes reasonable efforts under
15 the circumstances to remedy the breach.

16 (E) The Secretary shall prescribe, in regu-
17 lations, procedures for allocating fiduciary re-
18 sponsibilities among fiduciaries, including in-
19 vestment managers. Any fiduciary who, pursu-
20 ant to such procedures, allocates to a person or
21 persons any fiduciary responsibility shall not be
22 liable for an act or omission of such person or
23 persons unless—

24 (i) such fiduciary violated subsection
25 (b) with respect to the allocation, with re-

1 spect to the implementation of the proce-
2 dures prescribed by the Secretary, or in
3 continuing such allocation; or

4 (ii) such fiduciary would otherwise be
5 liable in accordance with subparagraph
6 (D).

7 (2) CIVIL ACTION ONLY AS PROVIDED.—No
8 civil action may be maintained against any fiduciary
9 with respect to the responsibilities, liabilities, and
10 penalties authorized or provided for in this section
11 except in accordance with paragraphs (3) and (4).

12 (3) RULES REGARDING CIVIL ACTIONS.—A civil
13 action may be brought in the district courts of the
14 United States—

15 (A) by the Secretary against any fiduciary
16 other than a Member of the Board or the Chair
17 of the Board—

18 (i) to determine and enforce a liability
19 under paragraph (1)(A);

20 (ii) to collect any civil penalty under
21 paragraph (1)(B);

22 (iii) to enjoin any act or practice
23 which violates any provision of subsection
24 (b) or (c);

1 (iv) to obtain any other appropriate
2 equitable relief to redress a violation of any
3 such provision; or

4 (v) to enjoin any act or practice which
5 violates section 101(e);

6 (B) by any participant, beneficiary, or fi-
7 duciary against any fiduciary—

8 (i) to enjoin any act or practice which
9 violates any provision of subsection (b) or
10 (c);

11 (ii) to obtain any other appropriate
12 equitable relief to redress a violation of any
13 such provision; or

14 (iii) to enjoin any act or practice
15 which violates section 101(e); or

16 (C) by any participant or beneficiary—

17 (i) to recover benefits of such partici-
18 pant or beneficiary under the provisions of
19 this title, to enforce any right of such par-
20 ticipant or beneficiary under such provi-
21 sions, or to clarify any such right to future
22 benefits under such provisions; or

23 (ii) to enforce any claim otherwise
24 cognizable under sections 1346(b) and
25 2671 through 2680 of title 28, United

1 States Code, provided that the remedy
2 against the United States provided by sec-
3 tions 1346(b) and 2672 of title 28, United
4 States Code, for damages for injury or loss
5 of property caused by the negligent or
6 wrongful act or omission of any fiduciary
7 while acting within the scope of the fidu-
8 ciary's duties or employment shall be ex-
9 clusive of any other civil action or pro-
10 ceeding by the participant or beneficiary
11 for recovery of money by reason of the
12 same subject matter against the fiduciary
13 (or the estate of such fiduciary) whose act
14 or omission gave rise to such action or pro-
15 ceeding, whether or not such action or pro-
16 ceeding is based on an alleged violation of
17 subsection (b) or (c).

18 (4) OTHER RULES.—

19 (A) In all civil actions under paragraph
20 (3)(A), attorneys appointed by the Secretary
21 may represent the Secretary (except as provided
22 in section 518(a) of title 28, United States
23 Code), however all such litigation shall be sub-
24 ject to the direction and control of the Attorney
25 General.

1 (B) The Attorney General shall defend any
2 civil action or proceeding brought in any court
3 against any fiduciary referred to in paragraph
4 (3)(C)(ii) (or the estate of such fiduciary) for
5 any such injury. Any fiduciary against whom
6 such a civil action or proceeding is brought
7 shall deliver, within such time after date of
8 service or knowledge of service as determined
9 by the Attorney General, all process served
10 upon such fiduciary (or an attested copy there-
11 of) to the Chair of the Board, who shall
12 promptly furnish copies of the pleading and
13 process to the Attorney General and the United
14 States Attorney for the district wherein the ac-
15 tion or proceeding is brought.

16 (C) Upon certification by the Attorney
17 General that a fiduciary described in paragraph
18 (3)(C)(ii) was acting in the scope of such fidu-
19 ciary's duties or employment as a fiduciary at
20 the time of the occurrence or omission out of
21 which the action arose, any such civil action or
22 proceeding commenced in a State court shall
23 be—

24 (i) removed without bond at any time
25 before trial by the Attorney General to the

1 district court of the United States for the
2 district and division in which it is pending;
3 and

4 (ii) deemed a tort action brought
5 against the United States under the provi-
6 sions of title 28, United States Code, and
7 all references thereto.

8 (D) The Attorney General may com-
9 promise or settle any claim asserted in such
10 civil action or proceeding in the manner pro-
11 vided in section 2677 of title 28, United States
12 Code, and with the same effect. To the extent
13 section 2672 of title 28, United States Code,
14 provides that persons other than the Attorney
15 General or the Attorney General's designee may
16 compromise and settle claims, and that pay-
17 ment of such claims may be made from agency
18 appropriations, such provisions shall not apply
19 to claims based upon an alleged violation of
20 subsection (b) or (c).

21 (E) For the purposes of paragraph
22 (3)(C)(ii) the provisions of sections 2680(h) of
23 title 28, United States Code, shall not apply to
24 any claim based upon an alleged violation of
25 subsection (b) or (c).

1 (F) Notwithstanding sections 1346(b) and
2 2671 through 2680 of title 28, United States
3 Code, whenever an award, compromise, or set-
4 tlement is made under such sections upon any
5 claim based upon an alleged violation of sub-
6 section (b) or (c), payment of such award, com-
7 promise, or settlement shall be made to the ap-
8 propriate account within the American Savings
9 Account Fund, or where there is no such appro-
10 priate account, to the participant or beneficiary
11 bringing the claim.

12 (G) For purposes of paragraph (3)(C)(ii),
13 the term “fiduciary” includes only the Members
14 of the Board and the Board’s Chair.

15 (5) PROHIBITION OF MONETARY RELIEF.—Any
16 relief awarded against a Member of the Board or the
17 Chair of the Board in a civil action authorized by
18 paragraph (3) may not include any monetary dam-
19 ages or any other recovery of money.

20 (6) LIMITATION.—An action may not be com-
21 menced under paragraph (3)(A) or (B) with respect
22 to a fiduciary’s breach of any responsibility, duty, or
23 obligation under subsection (b) or a violation of sub-
24 section (c) after the earlier of—

25 (A) 6 years after—

1 (i) the date of the last action which
2 constituted a part of the breach or viola-
3 tion; or

4 (ii) in the case of an omission, the lat-
5 est date on which the fiduciary could have
6 cured the breach or violation; or

7 (B) 3 years after the earliest date on
8 which the plaintiff had actual knowledge of the
9 breach or violation, except that, in the case of
10 fraud or concealment, such action may be com-
11 menced not later than 6 years after the date of
12 discovery of such breach or violation.

13 (7) JURISDICTION.—

14 (A) The district courts of the United
15 States shall have exclusive jurisdiction of civil
16 actions under this subsection.

17 (B) An action under this subsection may
18 be brought in the District Court of the United
19 States for the District of Columbia or a district
20 court of the United States in the district where
21 the breach alleged in the complaint or petition
22 filed in the action took place or in the district
23 where a defendant resides or may be found.
24 Process may be served in any other district
25 where a defendant resides or may be found.

1 (8) SERVICE.—

2 (A) A copy of the complaint or petition
3 filed in any action brought under this sub-
4 section (other than by the Secretary) shall be
5 served on the Chair, the Secretary, and the Sec-
6 retary of the Treasury by certified mail.

7 (B) Any officer referred to in subpara-
8 graph (A) shall have the right in the officer's
9 discretion to intervene in any action. If the Sec-
10 retary brings an action under paragraph (2) on
11 behalf of a participant or beneficiary, the Sec-
12 retary shall notify the Chair and the Secretary
13 of the Treasury.

14 (f) REGULATIONS.—The Secretary may prescribe
15 regulations to carry out this section.

16 (g) AUDITS BY SECRETARY.—

17 (1) IN GENERAL.—The Secretary of Labor shall
18 establish a program to carry out audits to determine
19 the level of compliance with the requirements of this
20 section relating to fiduciary responsibilities and pro-
21 hibited activities of fiduciaries.

22 (2) CONTRACTS, ETC.—An audit under this
23 subsection may be conducted by the Secretary, by
24 contract with a qualified nongovernmental organiza-
25 tion, or in cooperation with the Comptroller General

1 of the United States, as the Secretary considers ap-
2 propriate.

3 **SEC. 104. AMERICAN SAVINGS ACCOUNT FUND ADVISORY**
4 **COUNCIL.**

5 (a) IN GENERAL.—The Board shall establish an
6 American Savings Account Fund Advisory Council, to be
7 composed of 14 members appointed by the Chair of the
8 Board. The Chair of the Board shall designate 1 member
9 of the Council to serve as head of the Council.

10 (b) TERMS AND VACANCIES.—

11 (1) TERM.—A member of the Council shall be
12 appointed for a term of 4 years.

13 (2) VACANCIES.—

14 (A) A vacancy in the Council shall be filled
15 in the manner in which the original appoint-
16 ment was made and shall be subject to any con-
17 ditions which applied with respect to the origi-
18 nal appointment.

19 (B) An individual chosen to fill a vacancy
20 shall be appointed for the unexpired term of the
21 member replaced.

22 (C) The term of any member shall not ex-
23 pire before the date on which the member's suc-
24 cessor takes office.

1 (c) ACTION BY MAJORITY RESOLUTION.—The Coun-
 2 cil shall act by resolution of a majority of the members.

3 (d) RESPONSIBILITIES.—The Council shall—

4 (1) advise the Board and the Chair of the
 5 Board on matters relating to—

6 (A) investment policies for the American
 7 Savings Account Fund; and

8 (B) the administration of this title; and

9 (2) perform such other duties as the Board may
 10 direct with respect to investment funds established
 11 in accordance with this title.

12 **TITLE II—AMERICAN SAVINGS** 13 **ACCOUNT FUND**

14 **SEC. 201. AMERICAN SAVINGS ACCOUNT FUND.**

15 (a) IN GENERAL.—There is established in the Treas-
 16 ury of the United States an American Savings Account
 17 Fund.

18 (b) AMOUNTS IN FUND.—The American Savings Ac-
 19 count Fund consists of the sum of all amounts contributed
 20 under section 302, increased by the total net earnings
 21 from investments of sums in the American Savings Ac-
 22 count Fund or reduced by the total net losses from invest-
 23 ments of the American Savings Account Fund, and re-
 24 duced by the total amount of payments made from the

1 American Savings Account Fund (including payments for
2 administrative expenses).

3 (c) APPROPRIATIONS FROM FUND.—The sums in the
4 American Savings Account Fund are appropriated and
5 shall remain available without fiscal year limitation—

6 (1) to invest as provided in section 102(b)(1);

7 (2) to pay benefits or purchase annuity con-
8 tracts under section 301(b);

9 (3) to pay the administrative expenses of the
10 Board relating to the responsibilities under section
11 102; and

12 (4) at the discretion of the Chair of the Board,
13 to purchase insurance to cover potential liability of
14 persons who serve in a fiduciary capacity with re-
15 spect to the American Savings Account Fund, in a
16 manner consistent with rules similar to the provi-
17 sions of section 8479 of title 5, United States Code.

18 (d) BENEFITS INALIENABLE AND NONFORFEIT-
19 ABLE.—

20 (1) IN GENERAL.—Subject to paragraphs (3)
21 and (4) of subsection (c) and paragraphs (3) and (4)
22 of this subsection, sums in the American Savings
23 Account Fund credited to the American Savings Ac-
24 count of a participant may not be used for, or di-
25 verted to, purposes other than for the exclusive ben-

1 efit of the participant or the participant's bene-
2 ficiaries.

3 (2) PROTECTION FROM ALIENATION.—Except
4 as provided in paragraphs (3) and (4), sums in the
5 American Savings Account Fund may not be as-
6 signed or alienated and are not subject to execution,
7 levy, attachment, garnishment, or other legal proc-
8 ess.

9 (3) CERTAIN EXCEPTIONS.—Moneys due or
10 payable from the American Savings Account Fund
11 to any individual shall be subject to legal process for
12 the enforcement of the individual's legal obligations
13 to provide child support or make alimony payments
14 as provided in section 459 of the Social Security
15 Act, the enforcement of an order for restitution
16 under section 3663A of title 18, United States Code,
17 or an obligation of the Chair of the Board to make
18 a payment to another person under paragraph (4),
19 and shall be subject to a Federal tax levy under sec-
20 tion 6331 of the Internal Revenue Code of 1986.

21 (4) COURT ORDERS.—Rules similar to the rules
22 of section 8467 of title 5, United States Code, shall
23 apply with respect to payments which would other-
24 wise be made to a participant under section 301(b).

1 (e) LIMITATION ON FURTHER APPROPRIATION.—

2 The sums in the American Savings Account Fund shall
 3 not be appropriated for any purpose other than the pur-
 4 poses specified in this section and may not be used for
 5 any other purpose.

6 (f) AMOUNTS HELD IN TRUST.—All sums contrib-
 7 uted to the American Savings Account Fund by a partici-
 8 pant or by an employer for the benefit of such participant
 9 and all net earnings in such Fund attributable to invest-
 10 ment of such sums are held in such Fund in trust for
 11 such participant.

12 **SEC. 202. TAX TREATMENT OF THE AMERICAN SAVINGS AC-**
 13 **COUNT FUND.**

14 (a) IN GENERAL.—For purposes of the Internal Rev-
 15 enue Code of 1986—

16 (1) the American Savings Account Fund shall
 17 be treated as a trust described in section 401(a) of
 18 such Code which is exempt from taxation under sec-
 19 tion 501(a) of such Code;

20 (2) any contribution to, or distribution from,
 21 the American Savings Account Fund shall be treated
 22 in the same manner as contributions to or distribu-
 23 tions from such a trust;

24 (3) contributions to the American Savings Ac-
 25 count Fund shall not be treated as distributed or

1 made available to a participant nor as a contribution
2 made to the Fund by an individual merely because
3 the individual has, under section 302(b)(1)(C), made
4 an election whether the contribution will be made to
5 the American Savings Account Fund or received by
6 the individual in cash; and

7 (4) the rules of section 414(w) of such Code
8 shall apply with respect to American Savings Ac-
9 counts, except that paragraph (2)(B) thereof shall
10 be applied by substituting “the due date for the re-
11 turn of tax for the taxable year in which the first
12 elective contribution is made with respect to the em-
13 ployee under the arrangement” for “the date which
14 is 90 days after the date of the first elective con-
15 tribution with respect to the employee under the ar-
16 rangement”.

17 (b) COORDINATION WITH SOCIAL SECURITY ACT.—
18 Subsection (a) shall not be construed to provide that any
19 amount of the employee’s compensation which is contrib-
20 uted to the American Savings Account Fund shall not be
21 included in the term “wages” for the purposes of section
22 209 of the Social Security Act or section 3121(a) of the
23 Internal Revenue Code of 1986.

1 **TITLE III—AMERICAN SAVINGS**
2 **ACCOUNTS**

3 **SEC. 301. AMERICAN SAVINGS ACCOUNTS.**

4 (a) IN GENERAL.—For purposes of this title, the
5 term “American Savings Account” means—

6 (1) an individual retirement account (as defined
7 in section 408(a) of the Internal Revenue Code of
8 1986); and

9 (2) in the case of an individual making the elec-
10 tion under subsection (b)(2), a Roth IRA (as defined
11 in section 408A(b) of such Code),

12 established and maintained by the Board, as trustee of
13 such account.

14 (b) SPECIAL RULES.—

15 (1) ELIGIBILITY.—

16 (A) IN GENERAL.—All qualified employees
17 shall be eligible to participate in an American
18 Savings Account.

19 (B) QUALIFIED EMPLOYEE.—For purposes
20 of this subtitle—

21 (i) IN GENERAL.—The term “qualified
22 employee” means an employee (other than
23 an employee described in section
24 410(b)(3)(C) of the Internal Revenue Code
25 of 1986) of an American employer if the

1 employer does not provide the opportunity
2 for the employee to participate in a defined
3 contribution plan (within the meaning of
4 section 414(i) of the Internal Revenue
5 Code of 1986) maintained by the employer
6 that satisfies the requirements of section
7 401(a) or 403(b) of the Internal Revenue
8 Code of 1986.

9 (ii) EXCEPTION FOR EMPLOYEES COV-
10 ERED BY COLLECTIVE BARGAINING AGREE-
11 MENTS.—Such term shall not include any
12 employee who is included in a group of em-
13 ployees covered by a collective bargaining
14 agreement described in section
15 410(b)(3)(A) of such Code.

16 (iii) AMERICAN EMPLOYER.—The
17 term “American employer” has the mean-
18 ing given such term by section 3121(h) of
19 such Code.

20 (2) ELECTION TO CONVERT TO ROTH IRA.—
21 Subject to the rules of section 408A(d)(3) of the In-
22 ternal Revenue Code of 1986, an individual may
23 elect at any time to convert all or a portion of the
24 individual retirement account established for the in-

1 dividual under section 102(c)(1)(A) to a Roth IRA
2 (as defined in section 408A(b) of such Code).

3 (3) CONTRIBUTIONS.—

4 (A) IN GENERAL.—Subject to section
5 302(b)(1), an individual may contribute to the
6 American Savings Account Fund in any year,
7 pursuant to an election under section
8 102(b)(2), an amount not to exceed the limita-
9 tion described in subparagraph (C). Contribu-
10 tions pursuant to such an election shall, with
11 respect to each pay period for which such elec-
12 tion remains in effect, be made in accordance
13 with a program of regular contributions as pre-
14 scribed by the Chair.

15 (B) ELIGIBLE ROLLOVER DISTRIBUTI-
16 TIONS.—An individual may contribute to the
17 American Savings Account Fund an eligible
18 rollover that an individual retirement account
19 or Roth IRA could accept under section 408 or
20 408A of the Internal Revenue Code of 1986,
21 whichever is applicable (after the application of
22 subparagraph (C)). In the case of an eligible
23 rollover distribution (as defined in section
24 402(c)(4) of such Code), the maximum amount
25 transferred to the American Savings Account

1 Fund shall not exceed the amount which would
2 otherwise have been included in the individual's
3 gross income for Federal income tax purposes.

4 (C) MODIFICATION OF CONTRIBUTION LIM-
5 ITATION.—In lieu of the contribution limita-
6 tions for individual retirement accounts or Roth
7 IRAs, whichever is applicable, under part I of
8 subchapter D of chapter 1 of the Internal Rev-
9 enue Code of 1986, the annual contribution lim-
10 itation applicable to an American Savings Ac-
11 count shall be equal to the limitation applicable
12 under section 415(c) of the Internal Revenue
13 Code of 1986 to contributions to a defined con-
14 tribution plan.

15 (4) ANNUITIES, ETC.—

16 (A) IN GENERAL.—The Board shall pre-
17 scribe methods of payment of annuities similar
18 to the methods available under section
19 8434(a)(2) of title 5, United States Code.

20 (B) RULES APPLICABLE.—Rules similar to
21 the rules of subsections (b), (c), (d), and (e) of
22 section 8434 of title 5, United States Code,
23 shall apply for purposes of this paragraph.

24 (5) PROTECTIONS FOR SPOUSES AND FORMER
25 SPOUSES.—

1 (A) IN GENERAL.—Except as provided in
 2 subparagraph (A), rules similar to the rules of
 3 sections 8433(e) and 8435 of title 5, United
 4 States Code, shall apply for purposes of this
 5 subsection.

6 (B) ADDITIONAL PROTECTION FOR SUR-
 7 VIVING SPOUSES.—A surviving spouse shall be
 8 the first party entitled to receive benefits (be-
 9 fore any designated beneficiary other than the
 10 surviving spouse) unless the surviving spouse
 11 consents in writing to the application of the
 12 order of precedence in effect but for this sub-
 13 paragraph.

14 **SEC. 302. EMPLOYER REQUIREMENTS.**

15 (a) IN GENERAL.—Except as provided in subsections
 16 (a) and (b) of section 303, each United States employer
 17 shall make contributions meeting the requirements of sub-
 18 section (b) on behalf of such qualified employee to the
 19 American Savings Account Fund, beginning with the later
 20 of—

21 (1) the first pay period for which the employee
 22 receives compensation from the employer; or

23 (2) the first pay period beginning on or after
 24 the contribution beginning date.

1 (b) CONTRIBUTIONS.—The requirements of this sub-
2 section are met for a taxable year with respect to contribu-
3 tions to the American Savings Account Fund on behalf
4 of a qualified employee if—

5 (1) CONTRIBUTION AMOUNT.—With respect to
6 any pay period beginning in such taxable year—

7 (A) IN GENERAL.—Except as provided in
8 subparagraphs (B) and (C), such contributions
9 are equal to 3 percent of the compensation of
10 the employee for such period.

11 (B) COORDINATION WITH LIMITATIONS.—
12 The total contributions to the Fund on behalf
13 of the employee for pay periods in any taxable
14 year do not exceed the contribution limitation
15 described in section 301(b)(3)(C).

16 (C) ELECTION.—After the first pay period
17 with respect to which a contribution is made
18 with respect to a qualified employee under sub-
19 section (a), the qualified employee may elect—

20 (i) to change the percentage of com-
21 pensation which is contributed to the Fund
22 on behalf of such employee, except that
23 such percentage may not be less than 2
24 percent or greater than the highest per-
25 centage that would not cause total con-

1 tributions during the taxable year to ex-
2 ceed the limitation under subparagraph
3 (B); or

4 (ii) to discontinue contributions to the
5 Fund and withdraw all contributions pre-
6 viously made through a salary reduction
7 arrangement in the same calendar year
8 other than nonelective contributions made
9 by the employer on behalf of the employee.

10 In the event a qualified employee elects to with-
11 draw all contributions previously made to the
12 Fund under the preceding sentence, the amount
13 of any nonelective contributions made by the
14 employer on behalf of the employee shall be
15 withdrawn and paid to the employer.

16 (D) CONTRIBUTIONS MAY BE MADE
17 THROUGH SALARY REDUCTION ARRANGE-
18 MENT.—Contributions by an employer shall not
19 fail to meet the requirements of this subsection
20 solely because the employee may elect to have
21 the employer make payments—

22 (i) to the American Savings Account
23 of the employee; or

24 (ii) to the employee directly in cash.

1 The preceding sentence shall apply only if the
2 contributions on behalf of all qualified employ-
3 ees of the employer for a pay period are in a
4 uniform dollar amount or a uniform percentage
5 of compensation.

6 (E) MANDATORY PERCENTAGE INCREASE
7 OFFER.—

8 (i) IN GENERAL.—If a qualified em-
9 ployee elects under subparagraph (C) a
10 contribution percentage that is less than 5
11 percent, then 12 months after such elec-
12 tion is made and every 12 months there-
13 after the Board shall notify the employee
14 in writing that such contribution percent-
15 age will be increased by 0.5 percent unless
16 the employee objects within 30 days of re-
17 ceipt of such notice. If the employee does
18 not so object, upon notification by the
19 Board, the employer shall increase the per-
20 centage of the employee's compensation
21 which is contributed to the Fund on behalf
22 of the employee by 0.5 percent.

23 (ii) APPLICABILITY.—

24 (I) IN GENERAL.—Clause (i)
25 shall cease to apply once the percent-

1 age of compensation contributed to
2 the Fund on behalf of the employee is
3 greater than or equal to 5 percent.

4 (II) COORDINATION WITH LIM-
5 TATIONS.—Clause (i) shall not apply
6 during a taxable year if, as so in-
7 creased, the percentage of compensa-
8 tion contributed to the Fund on be-
9 half of the employee would exceed the
10 percentage described in subparagraph
11 (C)(i).

12 (2) FREQUENCY AND TIMING OF CONTRIBU-
13 TIONS.—Contributions under subsection (a) are
14 made not less frequently than monthly during such
15 year, and each such contribution is made not later
16 than 30 days after the close of the pay period to
17 which it relates.

18 (c) EXCEPTIONS.—Subsection (a) shall not apply to
19 an employer that is a church or convention or association
20 of churches which is exempt from tax under section 501(a)
21 of the Internal Revenue Code of 1986. If such an employer
22 elects to make contributions to the American Savings Ac-
23 count Fund on behalf of qualified employees of the em-
24 ployer, such contributions must meet the requirements of
25 paragraph (1).

1 (d) SELF-EMPLOYED INDIVIDUALS.—An indi-
2 vidual—

3 (1) who has net earnings from self-employment
4 (as defined in section 1402(a) of the Internal Rev-
5 enue Code of 1986);

6 (2) who is not a qualified employee with respect
7 to any employer; and

8 (3) who is not eligible to participate in a de-
9 fined contribution plan (within the meaning of sec-
10 tion 414(i) of the Internal Revenue Code of 1986)
11 maintained by any employer;

12 may elect to make contributions on the individual's own
13 behalf to the American Savings Account Fund. Such con-
14 tributions shall be made under rules similar to the rules
15 of section 301(b)(3).

16 (e) CONTRIBUTION BEGINNING DATE.—For pur-
17 poses of this section, the term “contribution beginning
18 date” means January 1 of the third calendar year begin-
19 ning after the date of the enactment of the American Sav-
20 ings Account Act of 2017.

21 **SEC. 303. STATE RETIREMENT SAVINGS PLANS.**

22 (a) IN GENERAL.—If a State—

23 (1) maintains a public retirement savings plan
24 that allows all covered employers in the State to en-

1 roll all employees of the employer automatically in
2 such plan; or

3 (2) allows all covered employers in the State to
4 make contributions to an individual retirement plan
5 (as defined in section 7701(a)(37) of the Internal
6 Revenue Code of 1986) on behalf of the employees
7 of the employer,
8 such State may prohibit employers in the State from mak-
9 ing contributions to the American Savings Account Fund
10 on behalf of their employees, and section 302 shall not
11 apply to covered employers to which such prohibition ap-
12 plies.

13 (b) EXEMPTION.—For purposes of this Act, the term
14 “employee pension benefit plan” shall not include a payroll
15 deduction program established by a State for the purpose
16 of making contributions to one or more individual retire-
17 ment plans (as defined in section 7701(a)(37) of the Inter-
18 nal Revenue Code of 1986), including such a program
19 which provides for automatic enrollment.

20 (c) WAIVER OF PENALTY.—The penalty under sec-
21 tion 6672(f) of the Internal Revenue Code of 1986 shall
22 not apply to a failure to make a contribution on behalf
23 of a qualified employee if the employer makes contribu-
24 tions to a State plan described in subsection (a) or (b)
25 on behalf of such employee that satisfy the applicable re-

1 quirements of such State plan. The employer shall certify
 2 to the Secretary of the Treasury, in such manner as shall
 3 be determined by such Secretary, that such contributions
 4 have been made.

5 (d) COVERED EMPLOYER.—For purposes of this sec-
 6 tion, the term “covered employer” means an employer—

7 (1) that does not provide the opportunity for
 8 employees to participate in a defined contribution
 9 plan (within the meaning of section 414(i) of the In-
 10 ternal Revenue Code of 1986) maintained by the
 11 employer; and

12 (2) whose employees are not covered by a collec-
 13 tive bargaining agreement described in section
 14 410(b)(3)(A) of the Internal Revenue Code of 1986.

15 **SEC. 304. DEFINITIONS.**

16 Any term used in this title which is also used in sec-
 17 tion 408(k) of the Internal Revenue Code of 1986 has the
 18 same meaning as when used in such section.

19 **TITLE IV—CONFORMING** 20 **AMENDMENTS**

21 **SEC. 401. AMERICAN SAVINGS ACCOUNTS.**

22 (a) CONFORMING AMENDMENT.—Section 7701 of the
 23 Internal Revenue Code of 1986 is amended by redesign-
 24 ating subsection (p) as subsection (q) and by inserting
 25 after subsection (o) the following new subsection:

1 “(p) TAX TREATMENT OF AMERICAN SAVINGS AC-
2 COUNT FUND.—

3 “(1) IN GENERAL.—For purposes of this title—

4 “(A) the American Savings Account Fund
5 shall be treated as a trust described in section
6 401(a) which is exempt from taxation under
7 section 501(a);

8 “(B) any contribution to, or distribution
9 from, the American Savings Account Fund shall
10 be treated in the same manner as contributions
11 to or distributions from such a trust;

12 “(C) contributions to the American Sav-
13 ings Account Fund shall not be treated as dis-
14 tributed or made available to a participant nor
15 as a contribution made to the Fund by an indi-
16 vidual merely because the individual has, under
17 section 302(b)(1)(C) of the American Savings
18 Account Act of 2017, made an election whether
19 the contribution will be made to the American
20 Savings Account Fund or received by the indi-
21 vidual in cash; and

22 “(D) the rules of section 414(w) shall
23 apply with respect to American Savings Ac-
24 counts, except that paragraph (2)(B) thereof
25 shall be applied by substituting ‘the due date

1 for the return of tax for the taxable year in
2 which the first elective contribution is made
3 with respect to the employee under the arrange-
4 ment’ for ‘the date which is 90 days after the
5 date of the first elective contribution with re-
6 spect to the employee under the arrangement’.

7 “(2) COORDINATION WITH SOCIAL SECURITY
8 ACT.—Paragraph (1) shall not be construed to pro-
9 vide that any amount of the employee’s compensa-
10 tion which is contributed to the American Savings
11 Account Fund shall not be included in the term
12 ‘wages’ for the purposes of section 209 of the Social
13 Security Act or section 3121(a) of this title.

14 “(3) DEFINITIONS.—For purposes of this sub-
15 section, the terms ‘employee’ and ‘American Savings
16 Account Fund’ shall have the same respective mean-
17 ings as when used in the American Savings Account
18 Act of 2017.

19 “(4) COORDINATION WITH OTHER PROVISIONS
20 OF LAW.—No provision of law not contained in this
21 title shall apply for purposes of determining the
22 treatment under this title of the American Savings
23 Account Fund or any contribution to, or distribution
24 from, such Fund.”.

1 (b) TREATMENT OF CONTRIBUTIONS TO AMERICAN
2 SAVINGS ACCOUNT FUND.—

3 (1) IN GENERAL.—Part III of subchapter B of
4 chapter 1 of the Internal Revenue Code of 1986 is
5 amended by inserting after section 139E the fol-
6 lowing new section:

7 **“SEC. 139F. AMOUNTS CONTRIBUTED TO AMERICAN SAV-**
8 **INGS ACCOUNTS.**

9 “(a) IN GENERAL.—Gross income does not include
10 so much of the contributions made to the American Sav-
11 ings Account Fund on behalf of an individual for pay peri-
12 ods in the taxable year as does not exceed the limitation
13 applicable under section 415(c) of the Internal Revenue
14 Code of 1986 to contributions to a defined contribution
15 plan.

16 “(b) AMERICAN SAVINGS ACCOUNT FUND.—For pur-
17 poses of this section, the term ‘American Savings Account
18 Fund’ means the Fund established under section 201 of
19 the American Savings Account Act of 2017.”.

20 (2) DENIAL OF DEDUCTION.—Subsection (b) of
21 section 219 of such Code is amended by adding at
22 the end the following new paragraph:

23 “(6) SPECIAL RULE FOR AMERICAN SAVINGS
24 ACCOUNTS.—This section shall not apply with re-
25 spect to any amount contributed to an individual re-

1 tirement account (as defined in section 408(a)) or a
 2 Roth IRA (as defined in section 408A(b)) which is
 3 an American Savings Account (as defined in section
 4 301 of the American Savings Account Act of
 5 2017).”.

6 (3) CLERICAL AMENDMENT.—The table of sec-
 7 tions for part III of subchapter B of chapter 1 of
 8 such Code is amended by inserting after the item re-
 9 lating to section 139E the following new item:

“Sec. 139F. Amounts contributed to American Savings Accounts.”.

10 (c) TREATMENT OF DISTRIBUTIONS AS SEPARATE
 11 FROM OTHER IRAS AND ROTH IRAS.—Subparagraph
 12 (A) of section 408(d)(2) of the Internal Revenue Code of
 13 1986 is amended by striking “plans” and inserting “plans
 14 (other than American Savings Accounts, within the mean-
 15 ing of section 301 of the American Savings Account Act
 16 of 2017)”.

17 (d) EFFECTIVE DATE.—

18 (1) PROGRAM.—The Chair of the American
 19 Savings Account Board of Directors shall establish
 20 the American Savings Account program such that
 21 the American Savings Account Fund is prepared to
 22 begin receiving contributions on January 1 of the
 23 third calendar year beginning after the date of the
 24 enactment of this Act.

1 (2) TREATMENT OF CONTRIBUTIONS.—Except
2 as provided in paragraph (1), the amendments made
3 by this section shall apply to contributions made to
4 the American Savings Account Fund, as established
5 by the amendments made by subsection (a), after
6 December 31 of the second calendar year beginning
7 after the date of the enactment of this Act.

8 **SEC. 402. PENALTY FOR EMPLOYER NONCOMPLIANCE.**

9 Section 6672 of the Internal Revenue Code of 1986
10 is amended by adding at the end the following new sub-
11 section:

12 “(f) EMPLOYER NONCOMPLIANCE WITH REQUIRE-
13 MENTS OF AMERICAN SAVINGS ACCOUNT ACT.—Except
14 as provided in section 303(c) of the American Savings Ac-
15 count Act of 2017, any employer that fails to make any
16 contribution required by section 302 of such Act shall be
17 treated for purposes of subsection (a) as if the employer
18 had willfully failed to collect a tax in the amount of such
19 required contribution.”.

20 **SEC. 403. OUTREACH.**

21 The Commissioner of Internal Revenue shall provide
22 to any person filing Form 1099 information on contrib-
23 uting to the American Savings Account Fund.

1 **SEC. 404. INDEPENDENT CONTRACTORS.**

2 The Secretary of Labor shall promulgate rules allow-
3 ing employers to—

4 (1) request explicit authorization from inde-
5 pendent contractors with such employers to con-
6 tribute on behalf of such independent contractors to
7 the American Savings Account Fund; and

8 (2) automatically withhold and transmit a set
9 amount or percentage of compensation paid to such
10 independent contractors to such Fund.

○