

# Retirement Savings Challenge

Workers across America are increasingly  
anxious about their financial futures.



Over 9 out of 10 workers say it is important  
for their retirement plan to include options  
for guaranteed lifetime income.



## Understanding the Problem:

### Retirement Savings Challenge

Workers can move 401(k) savings into an annuity without taxes or penalties only if their plan offers an in-plan annuity. Most plans do not. As a result, most workers must wait until age 59½ to access lifetime income options.

### 402(f) Notice Confusion

When workers leave an employer, they receive a 402(f) notice explaining distribution options and tax implications. However, the Government Accountability Office has found this notice to be overly complex, leading to confusion, poor decisions, and costly mistakes.

## Key Provisions of RSCA



### Expanded Rollover Options

Individuals aged 50+ may, if their plan permits, roll over some or all of their 401(k) assets into an individual retirement annuity.

- Lock in guaranteed lifetime income while still working
- Diversify retirement assets into income that lasts for life
- Spread annuity purchases across market conditions



### Simplified 402(f) Notices

Provides a safe harbor for a new notice using clear, straightforward language.

- 30-day review period before action
- Clear explanation of all distribution options
- Plain-language explanation of tax consequences
- IRS contact guidance for additional



### Clear and Structured Improvements

The RSCA improves access to lifetime income and simplifies retirement decision-making. By modernizing outdated processes and removing unnecessary complexity, the bill helps workers better understand and utilize their savings.

## NAIFA Supports H.R. 6324

NAIFA strongly supports H.R. 6324 as introduced by Reps. Panetta (D-CA) and LaHood (R-IL).

### We support efforts to:

- Simplify retirement savings rules
- Expand access to lifetime income options
- Help ensure Americans do not outlive their savings

**NAIFA is ready to work with legislators on both sides of the aisle to enact this important legislation.**