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[House Votes to Kill DOL's State, City Auto-IRA Rules.](#)

Some observers believe halting the rules wouldn't stop states from moving forward with auto-IRAs on the books, but would likely halt progress on proposed bills.

The House on Wednesday voted in favor of two resolutions to overturn Labor Department rules issued last year that promote creation of auto-IRA programs by cities and states.

The resolutions to kill the Obama-era rules were introduced last week, on Feb. 8.

One, sponsored by Rep. Tim Walberg, R-Mich., pertains to rules governing state retirement programs; the other, sponsored by Rep. Francis Rooney, R-Fla., pertains to municipalities such as cities and counties.

The House voted 231-193 in favor of the state resolution, and 234-191 in favor of the one governing cities, with both contests largely along party lines.

[The DOL regulations](#) encourage states and municipalities to create automatic-enrollment, payroll-deduction IRA programs for private-sector workers by exempting such programs from federal retirement law, the Employee Retirement Income Security Act of 1974, thereby limiting their liability.

Killing the rules would be an attempt to stymie creation of auto-IRA programs, which [five states](#) have been developing.

The programs seek to close the retirement-plan coverage gap and boost savings by mandating employers offer a plan to their workers. The auto-IRA would serve as an alternative retirement plan for employers that didn't want to offer a private-sector option such as a 401(k).

The programs have drawn criticism from some groups such as the Financial Services Institute Inc., the Investment Company Institute and the Chamber of Commerce, which say they will create a patchwork of different retirement plans across the country and expose investors to fewer protections.

The resolutions wouldn't be subject to a filibuster in the Senate. Observers say, though, that Senate action on the resolutions is unlikely to be as swift as in the House due to more pressing proceedings in the Senate such as nomination hearings.

Congress has a limited time frame, up until roughly mid-May or mid-June, within which it can pass a resolution overturning the DOL rules governing the state and city rules. The Department of Labor put the rules on the books in August and December last year, respectively.

Observers believe there'd still be a legal basis for states to move forward with their programs even if the rules were killed, but states that haven't yet passed bills to create such programs may adopt a wait-and-see attitude.

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