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Senate Nixes Obama-Era Retirement Rule.

The Senate nixed an Obama-era regulation Wednesday that made it easier for states to create retirement plans for some workers.

Senators voted 50-49 on the House-passed resolution, rolling back a rule meant to encourage states to create retirement plans for private-sector workers who do not have access to an employer-based retirement plan.

GOP Sens. Bob Corker (Tenn.) and Todd Young (Ind.) voted against repealing the rule. Sen. Dick Durbin (D-Ill.), who had outpatient surgery this week, missed the vote, which allowed the Senate to avoid a tie and pass the measure.

The Obama-era rule, implemented in October 2016, would exempt the state-created plans from the Employee Retirement Income Security Act, or ERISA, a law that outlines rules for workplace savings.

Congress eliminated a similar regulation last month that targeted a state's "political subdivisions" such as cities and counties.

Republicans argue the Labor Department rules are another example of executive overreach under the Obama administration and are overly burdensome for businesses.

"States ... are already using this authority to impose new mandates on both large and small employers, including start-up businesses. Some of the mandates apply regardless of the size of the businesses," said Sen. Orrin Hatch (R-Utah), the chairman of the Finance Committee.

Majority Leader Mitch McConnell (R-Ky.) added that the Obama rule would give "government-run retirement plans with a competitive advantage over private sector workplace plans, while providing fewer basic consumer protections to the workers who would be forced to contribute to them."

But Democrats and outside groups urged their GOP counterparts to buck the resolution, warning that the state-started plans could help prevent a "retirement crisis" for low-income workers.

Senate Minority Leader Charles Schumer (D-N.Y.) and House Minority Leader Nancy Pelosi (D-Calif.) issued a joint statement asking President Trump to veto the resolution and keep the Obama-era rule in place.

"We strongly urge the President to veto the bill if it is passed by the Senate today, which would show he really did mean it when he said he understood the plight of the American worker. If President Trump vetoes this misguided bill, Democrats in Congress will stand by him and ensure the veto is sustained," they said.

The AARP also sent a letter to senators this week urging them to keep the Obama-era rule, noting that tens of millions of Americans don't have access to a workplace savings account.

"AARP urges the Senate to allow state flexibility to support more private retirement savings

opportunities, and to vote no on H.J. Res. 66,” the group wrote.

Finance officials with roughly two dozen states also sent a letter earlier this week warning that without access to a savings account, workers could retire in poverty.

“States are pursuing a multitude of solutions to address this growing retirement savings crisis,” they wrote. “We insist that states be allowed to maintain their constitutional rights to implement such legislation.”

GOP lawmakers are using the Congressional Review Act to undo regulations implemented late in former President Barack Obama’s tenure by a simple majority.

THE HILL

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