

CFDD Legislative Update

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Pending Legislation January 2010

2009 has not been an active year for retirement-related legislative initiatives. While there has been Congressional interest in a number of retirement issues, few bills have made it through the process to receive consideration by both the House and Senate. This is due partly to a new Administration with new priorities, as well as the dominant role of health care reform in this year's Congressional agenda.

Here are some items to look for in 2010:

- **Health care reform** - As of this writing, the health care reform bill may come to a vote in late 2009 or early 2010.
- **Fee disclosure** - Fee disclosure may go to a full Congressional vote in 2010; Department of Labor (DOL) regulations dealing with providers' fee disclosure are due in May 2010.
- **Investment advice** - Investment advice has a chance of passage in 2010; a complete rewrite of the previously issued DOL regulations has a May 2010 deadline.
- **Executive pay** - A number of bills currently pending in Congress could impact executive compensation and corporate governance issues in 2010. HR 4173 passed the House in December 2009; as written, it faces an uncertain future in the Senate.
- **Defined benefit (DB) plan funding relief** - Reps. Pomeroy (D-ND) and Tiberi (R-OH) introduced a bill in October 2009 which would implement many of the DB plan funding relief proposals being advocated by sponsor and participant groups. There is general support for "doing something" to provide DB funding relief; likely passage in early 2010.
- **Target date funds** - The subject of a joint DOL/SEC hearing in June 2009, as well as an October 2009 hearing by the Senate Special Committee on Aging; regulatory and/or legislative action anticipated in 2010.
- **Cross-testing** - A bill introduced by Rep. Doggett (D-TX) in November 2009 would eliminate cross-testing of benefits and contributions; facing strong industry opposition, the outlook for this measure is uncertain for 2010.
- **Mandatory payroll deduction IRAs** - Included in President Obama's 2010 budget blueprint; if passed in 2010, companies that don't currently offer a tax-deferred retirement savings plan would funnel employee contributions into IRA accounts through direct payroll deposit.
- **Annuities** - The DOL just announced a project to facilitate use of lifetime income investment vehicles in retirement plans (a formal "request for information" is due in January 2010); any legislative initiative may get folded into broader retirement legislation in 2010 (or 2011).
- **Expansion of saver's credit** - Also included in the Obama 2010 budget; a modified version of Rep. Pomeroy's April 2009 bill expanding the credit may pass in 2010.

Source: Library of Congress

H.R.= House of Representatives; IRA= Individual Retirement Account

Consider the investment objectives, risks, and charges and expenses carefully. For this and other information about AIM funds, obtain a prospectus from your financial adviser and read it carefully before investing.

Please note: This primer is not intended to be investment advice. The information presented is based on current interpretation of pending retirement legislation. State laws may differ.

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