

Treasury, IRS Release Package to Promote Workplace Retirement Savings

On September 5, the U.S. Department of the Treasury and the Internal Revenue Service released a package of guidance generally intended to promote workplace retirement savings. The guidance consists of the following three revenue rulings and four notices:

- [Notice 2009-65](#), [Notice 2009-66](#) and [Notice 2009-67](#), which streamline the process by which sponsors of Internal Revenue Code Section 401(k) plans and SIMPLE IRAs can offer automatic enrollment;
- [Revenue Ruling 2009-30](#), which streamlines the process by which contributions to Section 401(k) plans may be gradually increased automatically over time;
- [Revenue Ruling 2009-31](#) and [Revenue Ruling 2009-32](#), which describe how employers can permit employees to convert the value of their unused leave into additional contributions to certain tax-qualified individual-account plans; and
- [Notice 2009-68](#), which contains an updated model notice for departing employees intended to encourage them to choose a tax-free rollover option to preserve their retirement benefits when they change jobs.

The initiatives complement certain legislative proposals included in the administration's proposed fiscal 2010 budget. The pending legislative proposals would (i) provide for automatic payroll-deduction IRAs for workers who have no employer-provided retirement plans, and (ii) expand the existing Saver's Credit Program to reach more families and encourage greater retirement savings by providing a tax credit that would be (a) directly deposited into individual taxpayers' Section 401(k) accounts or IRAs, and (b) matched up to \$500 a year by the federal government.

If you would like to discuss these new savings initiatives, please contact [Andrew Oringer](#), [Jon Zorn](#) or your usual Ropes & Gray advisor.