

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to allow for periodic automatic reenrollment under qualified automatic contribution arrangements, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. KAINE (for himself and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to allow for periodic automatic reenrollment under qualified automatic contribution arrangements, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Auto Reenroll Act of  
5       2025”.

1 **SEC. 2. AUTOMATIC REENROLLMENT UNDER QUALIFIED**  
2 **AUTOMATIC CONTRIBUTION ARRANGEMENTS**  
3 **AND ELIGIBLE AUTOMATIC CONTRIBUTION**  
4 **ARRANGEMENTS.**

5 (a) QUALIFIED AUTOMATIC CONTRIBUTION AR-  
6 RANGEMENTS.—

7 (1) IN GENERAL.—Section 401(k)(13)(C) of the  
8 Internal Revenue Code of 1986 is amended by add-  
9 ing at the end the following new clause:

10 “(v) PERIODIC AUTOMATIC DEFERRAL  
11 PERMITTED.—A qualified automatic con-  
12 tribution arrangement shall not fail to be  
13 treated as meeting the requirements of this  
14 subparagraph solely by reason of the fact  
15 that, under the arrangement—

16 “(I) an election by an employee  
17 under clause (ii)(I) terminates after  
18 not more than 3 years (but not less  
19 than 1 year), and

20 “(II) such employee is treated as  
21 having made an election under clause  
22 (i) after such termination unless such  
23 employee makes a new affirmative  
24 election under clause (ii).

25 A termination described in subclause (I)  
26 may be made at one time for a plan year

1 for all employees who have made an elec-  
2 tion described in such subclause.”.

3 (2) COORDINATION WITH RULE FOR CURRENT  
4 EMPLOYEES.—

5 (A) IN GENERAL.—Clause (iv) of section  
6 401(k)(13)(C) of such Code is amended by  
7 striking “either to participate in the arrange-  
8 ment or not to participate in the arrangement”  
9 and inserting “to participate in the arrange-  
10 ment”.

11 (B) SPECIAL RULE FOR PREVIOUSLY DIS-  
12 REGARDED EMPLOYEES.—

13 (i) IN GENERAL.—For purposes of ap-  
14 plying section 401(k)(13)(C)(v) of the In-  
15 ternal Revenue Code of 1986 (as added by  
16 paragraph (1)), a previously disregarded  
17 employee may be treated as an employee  
18 who has made an election under section  
19 401(k)(13)(C)(ii)(I) of such Code.

20 (ii) PREVIOUSLY DISREGARDED EM-  
21 PLOYEE.—For purposes of this subpara-  
22 graph, the term “previously disregarded  
23 employee” means any employee who was  
24 not taken into account under section  
25 401(k)(13)(C)(i) of the Internal Revenue

1 Code of 1986 by reason of an election de-  
2 scribed in section 401(k)(13)(C)(iv)(II) of  
3 such Code (as in effect for plan years be-  
4 ginning on or before the date of the enact-  
5 ment of this Act) to not participate in an  
6 arrangement described in section  
7 401(k)(13)(C)(iv)(I) of such Code.

8 (b) ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGE-  
9 MENTS.—Section 414(w)(3) of the Internal Revenue Code  
10 of 1986 is amended—

11 (1) by redesignating subparagraphs (A) through  
12 (C) as clauses (i) through (iii), respectively, and  
13 moving the margins of such clauses 2 ems to the  
14 right;

15 (2) by striking “ARRANGEMENT.—For purposes  
16 of” and inserting the following: “ARRANGEMENT.—

17 “(A) IN GENERAL.—For purposes of”; and

18 (3) by adding at the end the following new sub-  
19 paragraph:

20 “(B) PERIODIC AUTOMATIC DEFERRAL  
21 PERMITTED.—An arrangement shall not fail to  
22 be treated as an eligible automatic contribution  
23 arrangement under this subsection solely by  
24 reason of the fact that, under the arrange-  
25 ment—

1 “(i) an election by a participant under  
2 subparagraph (A)(ii) not to have contribu-  
3 tions made terminates after not more than  
4 3 years (but not less than 1 year), and

5 “(ii) such participant is treated as  
6 having made an election under subpara-  
7 graph (A)(ii) to make contributions at the  
8 uniform percentage level described in such  
9 subparagraph after such termination un-  
10 less such participant makes a new election  
11 not to so make such contributions.

12 A termination described in clause (i) may be  
13 made at one time for a plan year for all partici-  
14 pants who have made an election described in  
15 such clause.”.

16 (c) CONFORMING AMENDMENT.—Section 514(e)(2)  
17 of the Employee Retirement Income Security Act of 1974  
18 (29 U.S.C. 1144(e)(2)) is amended—

19 (1) by redesignating subparagraphs (A) through  
20 (C) as clauses (i) through (iii), respectively;

21 (2) by striking “(2) For purposes of” and in-  
22 serting “(2)(A) For purposes of”; and

23 (3) by adding at the end the following:

24 “(B) An arrangement shall not fail to be treated as  
25 an automatic contribution arrangement under this sub-

1 section solely by reason of the fact that under the arrange-  
2 ment—

3 “(i) an election by a participant under sub-  
4 paragraph (A)(ii) not to have contributions  
5 made terminates after not more than 3 years  
6 (but not less than 1 year), and

7 “(ii) such participant is treated as having  
8 made an election under subparagraph (A)(ii) to  
9 make contributions at the uniform percentage  
10 level described in such subparagraph after such  
11 termination unless such participant makes a  
12 new election not to so make such contributions.

13 A termination described in clause (i) may be made  
14 at one time for a plan year for all participants who  
15 have made an election described in such clause, re-  
16 gardless of individual participant dates of enroll-  
17 ment.”.

18 (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to plan years beginning after the  
20 date of the enactment of this Act.

21 (e) NO INFERENCE.—The amendments made by this  
22 section shall not be construed to create any inference with  
23 respect to—

24 (1) the application of section 401(k)(13)(C) of  
25 the Internal Revenue Code of 1986, section

1        414(w)(3) of such Code, or section 514(e)(2) of the  
2        Employee Retirement Income Security Act of 1974  
3        to plan years beginning before the date of the enact-  
4        ment of this Act, or

5            (2) the application of section 401(k)(13)(C)(v)  
6        of the Internal Revenue Code of 1986 (as added by  
7        subsection (a)), section 414(w)(3)(B) of such Code  
8        (as amended by subsection (b)), or section  
9        514(e)(2)(B) of the Employee Retirement Income  
10       Security Act of 1974 (as amended by subsection (c))  
11       to arrangements terminating elections not to have  
12       contributions made after more than 3 years.