



# Retirement Enhancement and Savings Act

## What is the Retirement Enhancement and Savings Act (RESA)?

RESA is a package of bipartisan, bicameral retirement bills that will:

- **Provide Lifetime Income Disclosure** so that plan participants can understand what amount of monthly income could be generated from their account balances.
- **Expand Multiple Employer Plans (Open MEPs)** allowing small employers to pool together to offer shared retirement plans to their employees.
- **Improve access to lifetime income** by enhancing the annuity selection safe harbor for plan sponsors and providing lifetime income portability.
- **Create start up tax credits for small employer retirement plans**
- **Help improve retirement readiness through other provisions**

## What is the status of RESA?

RESA advanced unanimously out of the Senate Finance Committee in September 2016 and has been introduced as S. 2526 in the Senate by Sens. Hatch (R-UT) and Wyden (D-OR) and in House as H.R. 5282 by Reps. Kelly (R-PA) and Kind (D-WI). In 2018, the Senate used a special procedure to pass the bill that is pending; the House is considering hearings prior to bringing for a full vote, and co-sponsors are being added.

## Why is the Lifetime Income Disclosure Act (LIDA) important?

One of the bills in the RESA package is the bipartisan Lifetime Income Disclosure Act (S. 868, HR. 2055), that will help retirement savers understand how their retirement savings could translate into a monthly stream of income – just like Social Security - in retirement. Sens. Isakson (R-GA) and Murphy (D-CT) introduced the Senate bill, and Reps. Messer (R-IN) and Pocan (D-WI) sponsored the House version.

## What does LIDA do?

LIDA will provide savers with an illustration so they can see the value of their savings as a personal pension plan (monthly income for life), making it easier to understand how it would cover monthly living expenses throughout retirement and address the risk that they could outlive their savings.

An illustration will also prompt savers to consider whether they are meeting their savings goals and if necessary, adjust course. This illustration would be similar to those provided by Social Security and the Thrift Savings Plan (TSP) offered to government employees. In the case of the Thrift Savings Plan, the availability of lifetime income illustrations has been found to lead to greater savings.

*To become a RESA co-sponsor please contact:  
Lori Prater in the office of Rep. Mike Kelly at (202) 225-5406  
Hana Greenberg in the office of Rep. Ron Kind at (202) 225-5506*

### For More Information:

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# You receive this information.

## Shouldn't your constituents?

**Thrift Savings Plan**

**SAMPLE LIFETIME INCOME ILLUSTRATION**

Name  
Address Line 1  
Address Line 2  
City, State, Zip Code

**Your 20YY Annual Statement**

Account Number: 1234 5678 91011  
Date of Birth: [Redacted]  
Retirement Coverage: [Redacted]  
Employment Status: [Redacted] *Information is correct.*

Service [Redacted]  
Legal Residence: [Redacted]

**For FERS only, vesting pertains to Agency Automatic (1%) Contributions.**

**Will you be ready for retirement?**

**Non-vested, active FERS employees only**

If you have at least \$20,000 in your account, this space will show you the estimated TSP monthly annuity amount you could expect to receive in retirement until the end of your life, using your end-of-year account balance.

Your 12/31/20YY TSP account balance would provide you a lifetime monthly amount of **\$1,263\***

To estimate what your account balance would actually be when you are ready to withdraw your account in retirement, use the How Much Will My Savings Grow? calculator at tsp.gov.

**Questions? Visit tsp.gov**

ThriftLine: 1-TSP-YOU-FRST (1-877-968-7273)  
Outside the U.S. and Canada: 404-233-4343  
TID: 1-TSP-THRIFTS (1-877-847-4343)  
YouTube: youtube.com/tsp4gov

To contact your agency for more information, contact your agency.

**Keep your account secure — review your account profile.**

Custom ID Created: mm/dd/yyyy  
Web Password Date: mm/dd/yyyy  
Web Access: Blocked  
ThriftLine PIN Date: mm/dd/yyyy  
ThriftLine Access: Blocked  
Quarterly Statements: Electronic  
Annual Statements: Mailed  
Account Hold: Yes  
Power of Attorney or Guardianship/Conservatorship: On File

**Value on January 1, 20YY**

	Traditional	Roth	Total
Value on January 1, 20YY			
Change in value this year			
Value on December 31, 20YY			

**A summary of the activity in your account for the year. If you have only one type of balance, you will see only one column of numbers.**

Your vested account balance is \$100,000,000.00

You are always vested (entitled to keep) your own contributions and your Agency Matching Contributions. However, you must meet time-in-service requirements to keep your Agency Automatic (1%) Contributions. (See your own vesting requirement in the blue Account Number box to the right.) To learn more, watch our YouTube video "Vesting: What Does it Mean?" at youtube.com/tsp4gov.

**Your 5-Year Account Balance History**

**In this section, you can compare your annual account balances for the statement year and up to four preceding years.**

**A MESSAGE FOR YOU**

Think of the amount in your account as major source of monthly income in your retirement years rather than as a single sum of money. Visit [tsp.gov](http://tsp.gov) and use the How Much Will My Savings Grow? calculator to estimate how your account might grow over time if you increased your contributions. Don't forget—you can make traditional (pre-tax) and Roth (after-tax) contributions, diversify your investments, make catch-up contributions if you are 50 or over, and take advantage of the TSP's low administrative expenses, while saving more towards your retirement.