



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 20, 2016

**H.R. 4294
Strengthening Access to Valuable Education
and Retirement Support Act of 2015**

*As ordered reported by the House Committee on Education and the Workforce
on February 2, 2016*

H.R. 4294, the Strengthening Access to Valuable Education and Retirement Support Act of 2015, would amend the section of the Internal Revenue Code that prohibits self-dealing transactions by fiduciaries of certain tax-favored plans, including employer-sponsored retirement plans, individual retirement accounts, and health savings accounts. The bill would add a definition of investment advice to that section of the Internal Revenue Code. The bill also would add a new statutory exemption related to investment advice that a fiduciary can provide to those tax-favored plans, plan participants, or beneficiaries. Among other provisions, H.R. 4294 would change requirements regarding disclosure of potential compensation accruing to the fiduciary or an affiliate.

On April 6, 2016, the Department of Labor issued new regulations relating to investment advice within pension and retirement plans; those regulations are sometimes referred to as the “fiduciary rule.” H.R. 4294 would prevent those or any similar regulations from becoming effective unless a bill or joint resolution approving them was passed within 60 days of enactment of H.R. 4294.

The staff of the Joint Committee on Taxation (JCT) estimates that the bill would have a negligible effect on revenues over the 2016-2026 period. Enacting the bill would not affect direct spending. Because enacting H.R. 4294 would affect revenues, pay-as-you-go procedures apply.

CBO and JCT estimate that enacting H.R. 4294 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On February 10, 2016, CBO transmitted a cost estimate of H.R. 4294, the Strengthening Access to Valuable Education and Retirement Support Act of 2015, as ordered reported by the House Committee on Ways and Means on February 3, 2016. The two versions of the bill are similar and the estimated budgetary effects are the same.

On April 20, 2016, CBO transmitted a cost estimate of H.R. 4293, the Affordable Retirement Advice Protection Act, as ordered reported by the House Committee on Education and the Workforce on February 2, 2016. That bill would amend the Employee Retirement Income Security Act of 1974 (ERISA) in a manner consistent with the way that H.R. 4294 would amend the Internal Revenue Code. All three versions of the legislation would have a negligible effect on revenues.

The CBO staff contact for this estimate is Noah Meyerson. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.