

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To require the Securities and Exchange Commission to revise the definition of accredited investor to exclude Retirement Assets and Retirement Income Assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Securities and Exchange Commission to revise the definition of accredited investor to exclude Retirement Assets and Retirement Income Assets, 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. EXCLUDING RETIREMENT ASSETS FROM AC-**
4 **CREDITED INVESTOR WEALTH THRESHOLD.**

5 (a) IN GENERAL.—The Securities and Exchange
6 Commission shall revise the definition of accredited inves-
7 tor under Regulation D (15 C.F.R. 230.501 et seq.) to

1 exclude from the natural person’s net worth, or joint net
2 worth with that person’s spouse or spousal equivalent, the
3 calculation of Retirement Assets and Retirement Income
4 Assets.

5 (b) DEFINITIONS.—In this section:

6 (1) RETIREMENT ASSET.—The term “Retire-
7 ment Asset”—

8 (A) means any asset in any—

9 (i) retirement plan, including any
10 qualified retirement plan subject to the
11 Employee Retirement Income Security Act
12 of 1974;

13 (ii) individual retirement accounts de-
14 fined under section 408 of the Internal
15 Revenue Code of 1986;

16 (iii) governmental plans defined under
17 section 403, 414, or 457 the Internal Rev-
18 enue Code of 1986;

19 (iv) multi-employer plans defined
20 under section 401 of the Internal Revenue
21 Code of 1986;

22 (v) annuities, life insurance contracts,
23 and endowments defined under section 72
24 of the Internal Revenue Code of 1986; or

1 (vi) plan, investment company, or
2 other collective investment vehicle that im-
3 poses an exit, withdrawal, or contingent
4 deferred sales fee;

5 (B) includes any proceeds, assets, or other
6 distributions from retirement plans (including
7 the proceeds from the sale of any such assets),
8 during the 12 month period preceding the date
9 of any sale of the assets; and

10 (C) includes such other categories of assets
11 as the Commission determines appropriate.

12 (2) RETIREMENT INCOME.—The term “Retire-
13 ment Income”—

14 (A) means any—

15 (i) pension, funds, or other benefits
16 paid as a result of past services or indi-
17 vidual retirements, including those paid by
18 any government agency;

19 (ii) proceeds or other benefits paid as
20 a result of past services, including those
21 paid by any government agency; and

22 (iii) proceeds, assets, or other dis-
23 tributions from a Retirement Asset, includ-
24 ing proceeds generated from the sale of
25 any asset distributed or withdrawn from a

1 Retirement Asset during the 12-month pe-
2 riod preceding the date of any sale of the
3 assets; and

4 (B) includes such other categories of in-
5 come as the Commission determines appro-
6 priate.