

## Bipartisan Bill Introduced in Senate to Reduce "Leakage" from 401(k) Plans

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Bipartisan legislation was recently introduced to the U.S. Senate by Senators Herb Kohl (D-WI) and Mike Enzi (R-WY) to reduce leakage (or loss from retirement savings) from 401(k) plans. The bill, referred to as the "Savings Enhancement by Alleviating Leaking in 401(k) Savings Act of 2011," if enacted would (1) extend the time employees have to repay plan loans; (2) reduce the overall number of loans taken to three at one time; (3) allow participants to continue making additional contributions during the six-month period following a hardship withdrawal; and (4) ban 401(k) debit cards. The bill is currently in committee, and its prospects are unclear. A copy of the bill can be found [here](#).