



## AMERICAN BENEFITS COUNCIL

May 20, 2021

The Honorable Elizabeth Warren  
United States Senate  
317 Hart Senate Office Building  
Washington, DC 20510

The Honorable Steve Daines  
United States Senate  
320 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Warren and Daines:

Thank you for your work to address the pressing issue of missing and unresponsive participants in retirement plans. We welcome the introduction of your legislation, the Retirement Savings Lost and Found Act of 2021, and appreciate the opportunity to have communicated regularly with your staff as you developed this bill.

The American Benefits Council's (Council) members are primarily large employer sponsors of retirement and health benefit plans, as well as other organizations that provide services to plans of all sizes. Virtually all employer-sponsored benefit plans in the United States are either sponsored directly, or serviced, by Council member companies and firms. Our members devote a great deal of effort and financial resources in sponsoring retirement plans and in searching for those who have unclaimed benefits as well as working with unresponsive participants. We wholeheartedly share your goal of reuniting plan participants with their retirement benefits.

The Council believes strongly in the need for comprehensive guidance on plan fiduciary responsibilities with respect to unresponsive and missing participants. A clear set of rules, promulgated jointly by the the U.S. Department of Labor, Internal Revenue Service and Pension Benefit Guaranty Corporation could provide the comprehensive set of rules that plan administrators need to follow and help ensure consistency and the best outcomes for participants. We look forward to continuing towards a comprehensive coordinated approach to guidance.

In addition, for the first time ever, the legislation would use data that employers are already required to report to the U.S. Treasury Department to create a national, online lost and found for Americans' retirement accounts further helping to reunite participants with their benefits.

Finally, the bill includes an important update to Internal Revenue Code Section 411(a)(11) which permits plans to distribute small balances immediately at termination of employment. We commend the bill's provision that would raise the dollar limit on such balances from \$5,000 to \$6,000. This limit has not been updated in more than 20 years.

Collectively, the provisions of the Retirement Savings Lost and Found Act could make important progress in addressing the problem created when individuals lose track of their retirement benefits at the time they change jobs and the former employer is not able to locate the person. The creation of a consistent cross-agency approach for fiduciaries is much needed and would be greatly appreciated.

We look forward to continuing to work with you through the legislative process, including regarding clarity on the important point that once benefits are transferred to the government's lost and found program, employers lose all control of the assets and should not be subject to ongoing duties with respect to assets that are no longer in their plan. Our members' extensive experience with missing and lost participants provides a valuable resource for policymakers, including input with respect to participant communications, default investments for cashed-out small accounts, strategies to improve cooperation and consistency among agencies with regulatory authority for missing and unresponsive participants, adding flexibility and integrating private-sector and government solutions to the problems identified by your legislation.

Sincerely,

A handwritten signature in cursive script that reads "Lynn D. Dudley". The signature is written in black ink and is positioned below the word "Sincerely,".

Lynn D. Dudley  
Senior Vice President, Global Retirement and Compensation Policy  
American Benefits Council