

113TH CONGRESS
2D SESSION

S. 2117

To amend title 5, United States Code, to change the default investment fund under the Thrift Savings Plan, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2014

Ms. WARREN (for herself and Mr. PORTMAN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To amend title 5, United States Code, to change the default investment fund under the Thrift Savings Plan, 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. SHORT TITLE.**

4 This Act may be cited as the “Smart Savings Act”.

5 **SEC. 2. THRIFT SAVINGS PLAN DEFAULT INVESTMENT**
6 **FUND.**

7 (a) IN GENERAL.—Section 8438(e)(2) of title 5,
8 United States Code, is amended to read as follows:

1 “(2)(A) Except as provided in subparagraph (B), if
2 an election has not been made with respect to any sums
3 available for investment in the Thrift Savings Fund, the
4 Executive Director shall invest such sums in an age-appro-
5 priate target date asset allocation portfolio of the funds
6 described in subsection (b), as determined by the Execu-
7 tive Director.

8 “(B) If an election has not been made by a member
9 (as defined in section 211 of title 37) contributing to the
10 Thrift Savings Fund under section 8440e with respect to
11 any sums available for investment in such member’s Thrift
12 Savings Fund account, the Executive Director shall invest
13 such sums in the Government Securities Investment
14 Fund.”.

15 (b) ACKNOWLEDGMENT OF RISK.—Section 8439(d)
16 of title 5, United States Code, is amended—

17 (1) by inserting “(1)” before “Each employee”;

18 and

19 (2) by adding at the end the following:

20 “(2) Before the date on which an individual covered
21 under section 8438(c)(2)(A) begins contributing to the
22 Thrift Savings Fund, the individual shall sign a risk ac-
23 knowledgment described under paragraph (1).”.

24 (c) TECHNICAL AND CONFORMING AMENDMENT.—

25 Section 8472(g)(2) of title 5, United States Code, is

1 amended by striking “required by section 8438 of this title
2 to be invested in securities of the Government” and insert-
3 ing “under section 8438(c)(2)(B)”.

4 (d) GUIDANCE.—Not later than 9 months after the
5 date of enactment of this Act, the Executive Director (as
6 that term is defined under section 8401(13) of title 5,
7 United States Code) shall develop and issue guidance im-
8 plementing the amendments made by this section.

9 (e) EFFECTIVE DATE AND APPLICATION.—The
10 amendments made by this section shall—

11 (1) take effect on the date on which the Execu-
12 tive Director issues guidance under subsection (d);
13 and

14 (2) apply to individuals contributing to the
15 Thrift Savings Fund on or after such date.

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