

June 2, 2022

The Honorable Patty Murray
Chair
Committee on Health, Education, Labor and Pensions
U.S. Senate
Washington, DC 20510

The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor and Pensions
U.S. Senate
Washington, DC 20510

Re: Retirement Improvement and Savings Enhancement to Supplement Healthy
Investments for the Nest Egg (RISE & SHINE) Act

Dear Chair Murray and Ranking Member Burr:

On behalf of the Investment Company Institute (ICI),¹ I am writing to commend your strong and innovative leadership on the bipartisan Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg Act or RISE & SHINE Act. This much-needed legislation would expand access to retirement savings plans and improve Americans' ability to save. Strengthening our voluntary retirement system and increasing financial security for all Americans has been a longstanding goal of the ICI; by offering greater access to incentives and programs that build savings and wealth, the Committee's draft legislation helps provide the means to achieve these ends.

The discussion draft complements consequential legislation recently passed with overwhelming bipartisan support by the House of Representatives—the Securing a Strong Retirement Act of 2022 (SECURE 2.0), which incorporated provisions of the Retirement Improvement and Savings Enhancement Act (RISE Act)—as well as the Retirement Security & Savings Act introduced by Senators Cardin (D-MD) and Portman (R-OH).

¹ The [Investment Company Institute](http://www.ici.org) (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in Europe, Asia and other jurisdictions. Its members manage total assets of \$29.7 trillion in the United States, serving more than 100 million investors, and an additional \$9.3 trillion in assets outside the United States. ICI has offices in Washington, DC, Brussels, London, and Hong Kong and carries out its international work through [ICI Global](http://www.ici.org).

Collectively, these bills would make broad and significant positive enhancements to the US retirement system. The RISE & SHINE Act would expand access to savings opportunities for a wider range of workers, helping Americans from all backgrounds to save for retirement and achieve their financial goals. ICI looks forward to the HELP Committee advancing the legislation and to seeing this bill become law.

Of particular significance to ICI are the following provisions in the RISE & SHINE Act:

- increase to \$7,000 the long-standing \$5,000 limit for making automatic rollovers into IRAs when employees terminate employment with small retirement plan balances (section 101);
- allow employers sponsoring 403(b) plans (such as public schools, charities, and other nonprofit organizations) to band together in a new type of multiple-employer retirement plan—called a “pooled employer plan” or “PEP”—which was created by the original SECURE Act of 2019, but is not currently available to the 403(b) market (section 102);
- streamline and clarify information retirement savers receive concerning increasingly popular target date funds by allowing use of a single benchmark for the funds that more appropriately tracks its asset allocation (section 103);
- clarify a requirement for PEPs, as enacted under the SECURE Act of 2019, so that any named fiduciary for the plan (other than a participating employer) can be responsible for collecting contributions, rather than specifically requiring the plan’s trustee—which may not have access to contribution information—to fill this role (section 104);
- simplify retirement plan notice and disclosure requirements with respect to employees who have chosen not to participate in the plan (section 107);
- recognize the importance of encouraging workers to save for emergencies by providing employers the option to allow for emergency savings accounts within a defined contribution retirement plan (section 202);²
- direct the Treasury and Labor Departments to permit consolidation of certain defined contribution plan notices, to streamline the volume of information provided to participants (section 302);
- preserve the intent of Congress in allowing a group of similar defined contribution retirement plans to file a consolidated Form 5500 annual report (as enacted under the SECURE Act of 2019), by clarifying that only large plans within a consolidated filing group are subject to independent audit requirements (section 502); and
- provide plans with reasonable deadlines for adopting amendments to reflect changes under this bill and certain prior legislation (section 701).

² Of course, as the Committee appreciates, there are different approaches to making such emergency distribution accounts available. We look forward to working with the Committee in ensuring that it adopts the most administratively efficient method of structuring the accounts.

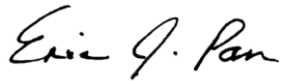
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The RISE & SHINE Act is vitally important to the financial well-being of millions of Americans. It would strengthen our nation's retirement-savings system by expanding coverage, further increasing savings opportunities, and streamlining administrative rules.

Thank you again for your leadership and providing a thoughtful and proactive path forward to improving retirement outcomes for all Americans. ICI looks forward to seeing the bill's progression through the Committee, and to it ultimately being combined with legislation from the Senate Finance Committee and the House to create a unified package of retirement-savings reforms.

Sincerely,

A handwritten signature in black ink that reads "Eric J. Pan". The signature is written in a cursive style with a large, stylized "E" and "P".

Eric J. Pan
President & CEO
Investment Company Institute