

United States Senate

WASHINGTON, DC 20510

July 18, 2017

The Honorable R. Alexander Acosta
Secretary
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Dear Secretary Acosta,

We write to request that the Department of Labor (DOL) issue an Advisory Opinion (AO) or other appropriate guidance regarding the application of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, to auto portability. The corresponding AO request was first received by the Department on April 18, 2013.

Retirement plan cash out leakage at the time of a job change is harmful to workers' retirement savings and, unfortunately, these harmful outcomes are disproportionately borne by minorities and low wage workers. As you know, withdrawing a 401(k) plan balance ahead of retirement often incurs taxes and fees, resources which could instead grow a worker's nest egg. Auto portability, or the routine, automated movement of a worker's retirement savings to a new employer's plan after a change in employment, is a way to combat this problem.

The Employee Benefit Research Institute (EBRI) recently released research indicating that system-wide adoption of auto portability for all retirement balances could increase private-sector savings by nearly \$2 trillion, measured in today's dollars. EBRI estimates the savings from plugging leakage for low-dollar accounts alone is \$1.5 trillion.

With an estimated 14 million workers with 401(k) plans changing jobs each year, reducing leakage and consolidating low-dollar accounts through greater use of auto portability will set millions of working Americans on a better path to a secure retirement. We are concerned that the continued delay of the Department's AO is a hurdle to the implementation of a workable, market-based solution that will help our constituents prepare for their retirement. Without the DOL's guidance, plan sponsors and others lack clarity around what can be done under the law to facilitate auto portability.

Accordingly, we respectfully ask that you use all of the resources at your disposal as Secretary to ensure that the DOL examines the issue of auto portability and releases the aforementioned AO as soon as possible.

Thank you for your attention to this critical issue and interest in bolstering the retirement security of millions of Americans. The issuance of a favorable AO on auto portability will result in more people keeping more of their hard earned savings in retirement accounts, an outcome that we are all striving towards.

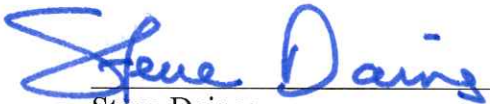


Tim Scott
United States Senate

Sincerely,




Tom Cotton
United States Senate



Steve Daines
United States Senate



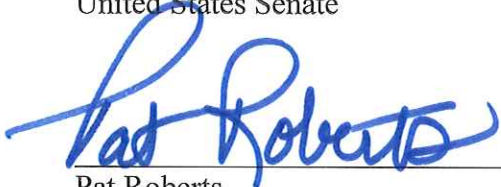
Susan Collins
United States Senate



Mike Crapo
United States Senate



Bill Cassidy
United States Senate



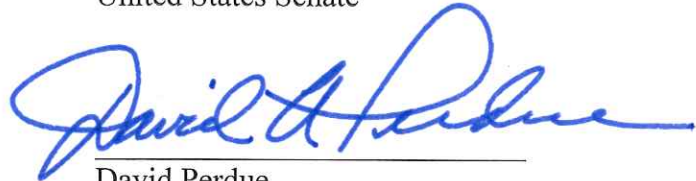
Pat Roberts
United States Senate



Todd Young
United States Senate



Thom Tillis
United States Senate



David Perdue
United States Senate



M. Michael Rounds
United States Senate