May 4, 2021

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
Washington, DC 20515

Re: SPARK Supports the Securing a Strong Retirement Act of 2021 (SSRA)

Dear Chairman Neal and Ranking Member Brady,

On behalf of the SPARK Institute, I would like to offer our strong endorsement of the Securing a Strong Retirement Act of 2021 (SSRA). Our members deeply value your leadership and your long commitment to advancing solutions that improve, simplify, and modernize retirement savings.

The SPARK Institute believes that retirement security is the shared responsibly of individuals, employers, government, and the providers, consultants, and advisors who serve them. We represent the interests of a broad-based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third-party administrators, trade clearing firms and benefits consultants. Collectively, our members serve approximately 95 million employer-sponsored plan participants.

The SPARK Institute is especially supportive of the SSRA because it includes many provisions that have been identified by our members to significantly improve the retirement security of American workers. This includes, for example, the SSRA's expansion of the small business start-up credit, its increase of the required beginning date age to 75, and its additional catch-up contributions for certain older employees. SPARK also commends the SSRA provisions that would streamline and simplify retirement plan operations, including its provisions that would expand self-correction, eliminate unnecessary notices for unenrolled participants, permit self-certification of hardships distributions, and permit 403(b) plans to invest in collective investment trusts (CITs). Furthermore, based on the desire of SPARK's members to help retirement savers improve their overall financial wellness, SPARK supports the SSRA provision that would integrate student loan repayment solutions into workplace retirement plans.

Building on the successful enactment of the Setting Every Community Up for Retirement Enhancement (SECURE) Act at the end of 2019, the SPARK Institute solicited input from our members and recently released our updated SPARK Institute's Legislative and Regulatory Agenda, which is attached. We are very pleased with the many ways in which the SSRA addresses our agenda, including through the provisions specifically mentioned above.

SPARK is committed to working with Congress to advance the many provisions in your bill that would vastly improve the retirement savings system. However, SPARK strongly encourages you to reconsider Section 313 of the SSRA – a provision that would generally mandate retirement savers to receive one of their quarterly benefit statements in paper each year. SPARK has long championed the expanded use of default electronic delivery for retirement plan documents because it simplifies plan administration, reduces costs, and provides retirement savers access to online tools and real-time information on their retirement benefits. The 2020 Department of Labor E-Delivery Rule struck an appropriate balance between expanding default e-delivery and protecting the rights of retirement savers. We believe that Section 313 of the SSRA should be removed because it would limit the important benefits of e-delivery. Instead, SPARK encourages Congress to advance harmonization of e-delivery rules across the federal agencies, including at the Treasury Department and IRS.

We greatly appreciate your longstanding interest in and commitment to these important retirement security issues. As this package of enhancements advances through the legislative process, we look forward to working with the Committee to ensure the retirement reforms in the SSRA are as effective as possible and ensure all Americans achieve a financially secure retirement.

Sincerely,

Tim Rouse
Executive Director
The SPARK Institute, Inc.

Legislative & Regulatory Agenda 2021

The SPARK Institute represents the interests of a broad-based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, and insurance companies. Collectively, our members serve approximately 95 million participants in 401(k) and other defined contribution plans. We focus on promoting the important benefits of employer-sponsored retirement plans, which are critical to the financial security of Americans saving for retirement.

The SPARK Institute believes that **retirement security is a shared responsibility** of individuals, employers, government, and the providers, consultants, and advisors that serve them. Building on the successful enactment of the Setting Every Community Up for Retirement Enhancement (SECURE) Act in 2019, the SPARK Institute is committed to working with Congress and federal regulators to advance solutions that implement the five pillars of the SPARK Institute's Legislative and Regulatory Agenda detailed below.

☑ PRESERVE & EXPAND INCENTIVES FOR RETIREMENT SAVINGS

*The SPARK Institute seeks to **preserve the current tax incentives** for retirement savings and **opposes financial transaction taxes** that would harm retirement savers. The SPARK Institute supports efforts to **increase coverage through expanded tax incentives** so that more workers have access to, and utilize, employer-sponsored savings vehicles, like 401(k), 403(b), and 457(b) plans.*

☑ ELECTRONIC DELIVERY & ADMINISTRATION: MODERNIZING RETIREMENT PLAN COMMUNICATIONS

The electronic delivery of retirement plan documents empowers employees by providing them access to real-time information on their retirement benefits and online tools to assist them with retirement planning. The 2020 Department of Labor E-Delivery Rule struck an appropriate balance between expanding default e-delivery and consumer protections. Additionally, the ongoing pandemic has highlighted the value of electronic delivery and the need for other modernizations to facilitate the greater use of technology for notarizations and other plan operations.

*The SPARK Institute supports the **expansion of default e-delivery**. We will continue to work for the **harmonization of e-delivery rules** across the federal agencies, including at the Treasury Department/IRS. The SPARK Institute will advance a **nationwide remote notarization standard**.*

☑ Financial Wellness & Literacy: Meeting the Holistic Financial Needs of Retirement Savers

Retirement savings are part of the holistic financial needs and challenges that plan participants face. With sensible changes to federal rules, employers and service providers can do more to help improve the financial wellness of all employees and implement policies that support an employee's participation in retirement savings plans while meeting their existing obligations, such as student loans.

*The SPARK Institute supports legislative and regulatory solutions to **integrate student loan repayment solutions** into workplace savings plans. The SPARK Institute encourages efforts to **expand access to financial wellness programs** inside and outside of retirement savings plans and the growth of **financial literacy programs**. The SPARK Institute will **advance emergency savings solutions** to address the economic needs and concerns of employees and supports the **expansion of workplace savings programs** to include other non-retirement savings priorities.*

☑ Simplification: Advancing Reforms To Make Retirement Saving Easier and Enhance Outcomes

Simplifying and modernizing the rules and regulations that govern retirement plans will make it easier and less expensive for employers to offer retirement plans so all Americans can enjoy a financially secure retirement.

*The SPARK Institute supports efforts to streamline retirement plan operations, including **plan design simplification, notice consolidation, testing relief, and streamlined reporting requirements**. The SPARK Institute also supports changes that would **permit 403(b) plans to invest in collective investment trusts (CITs)**. The SPARK Institute will work to **advance missing participant solutions** and **expand access to self-correction for plan errors**.*

☑ Lifetime Income: Encouraging Innovative Ways to Generate Income in Retirement

To ensure that retirees have the lifetime income they need to enjoy a comfortable retirement, more should be done to ensure that retirement savers have access to lifetime income options in their retirement plans. This means offering lifetime income investments during the accumulation phase and offering lifetime distribution options at retirement. We believe not in supporting one product, but rather in supporting a robust market where plan fiduciaries can choose what best meets the needs of participants. We need rules that support, not impede, innovative solutions.

*The SPARK Institute supports legislative and regulatory changes that would facilitate the **inclusion of annuities and other lifetime guarantees** during the accumulation phase and through retirement.*