United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510–6300

May 30, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Julie A. Su
Acting Secretary
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Dear Acting Secretary Su:

Last year, Congress passed the SECURE 2.0 Act of 2022, a bipartisan package of reforms to enhance and increase families' retirement and emergency savings. The SECURE 2.0 Act contains nearly 100 provisions, including those aimed at helping workers expand employee ownership, better understand their retirement plans, save for a rainy day, ensure their pension benefits are protected in a risk transfer, and more. Many of these provisions also require the Department of Labor (DOL) to engage in rulemaking and issue further guidance and reports under prescribed deadlines.

We hope DOL will effectively and expeditiously implement the SECURE 2.0 Act—just as DOL has done and continues to do with a slew of bipartisan retirement reforms passed in 2019. While full implementation of the SECURE 2.0 Act is the ultimate goal, we urge DOL to prioritize administration of the following provisions:

- **Section 346, Worker Ownership, Readiness, and Knowledge (WORK) Act**. Section 346 establishes an Employee Ownership Initiative within DOL to promote employee ownership, and authorizes a $50 million grant program to help establish and expand employee ownership centers across the country. It also requires DOL to issue formal guidance on employee stock ownership plan valuation standards.
- **Section 343, Defined benefit annual funding notices.** Section 343 requires the annual funding notice to include additional information on plan assets, liabilities, and funded status. The notice also must alert participants in single-employer plans that if plan assets are determined to be sufficient to pay vested benefits that are not guaranteed by the Pension Benefit Guaranty Corporation, participants and beneficiaries may receive benefits in excess of the guaranteed amount, and that such a determination generally uses assumptions that result in a plan having a lower funded status compared to the disclosed funded status.
- **Section 127, Emergency savings accounts linked to individual account plans**. Section 127 provides employers the option to offer to their non-highly compensated employees' pension-linked emergency savings accounts. Employers may automatically opt employees into these

accounts at no more than three percent of their salary, and the portion of an account attributable to the employee’s contribution is capped at $2,500 (or lower as set by the employer). Once the cap is reached, the additional contributions can be directed to the employee’s Roth defined contribution plan (if they have one) or stopped until the balance attributable to contributions falls below the cap.

- **Section 347, Report by the Secretary of Labor on the impact of inflation on retirement savings.** Section 347 directs DOL to study the impact of inflation on retirement savings and submit a report to Congress on the findings of the study.
- **Section 321, Review of pension risk transfer interpretive bulletin**. Section 321 requires DOL to review the current interpretive bulletin governing pension risk transfers to determine whether amendments are warranted and to report to Congress its finding.
- **Section 341, Consolidation of defined contribution plan notices.** Section 341 directs the Department of Treasury and DOL to amend regulations to permit a plan to consolidate certain required notices into a single notice.

Thank you for your prompt attention to these very important issues.

Sincerely,

Bernard Sanders
Chairman
U.S. Senate Committee on Health, Education, Labor, and Pensions

Bill Cassidy, M.D.
Ranking Member
U.S. Senate Committee on Health, Education, Labor, and Pensions