

Congress of the United States
Washington, DC 20515

November 21, 2019

The Honorable Preston Rutledge
Assistant Secretary
Employee Benefits Security Administration
United States Department of Labor
200 Constitution Avenue, NW
Washington D.C. 20210

Dear Assistant Secretary Rutledge:

We are writing to express strong support for the proposed rule entitled “Default Electronic Disclosure by Employee Pension Benefit Plans under Employee Retirement Income Security Act” (RIN 1210-AB90).

As strong supporters of default electronic delivery, we urge you to finalize your proposed rule to modernize retirement plan communications by permitting electronic delivery to be the default method of delivering retirement account related notices and disclosures. Despite the vast technological advancements over the past few decades, most retirement savers continue to receive information on their retirement plans in paper form.

This commonsense rule will encourage plan participants to engage with their accounts more effectively using innovative online tools, such as interactive growth projections and retirement readiness calculators. It also protects plan participants by ensuring they have the right to receive paper documents at no cost if they choose to opt out of e-delivery. Further, numerous studies have documented that retirement plan participants have near universal internet access and are active online with more than 88 percent of participants reporting that they used the internet on a daily basis.

We have long believed the Department has the authority to extend this flexibility to plan sponsors and we were encouraged by President Trump’s Executive Order that directed the Department to explore expanded “...electronic delivery as a way to improve the effectiveness of disclosures and reduce their associated costs and burdens.” With your proposed rule you have accomplished the goals of the Executive Order and taken an important step to improve retirement savings outcomes for millions of Americans.

This effort tracks closely with bipartisan legislation we have introduced, the Receiving Electronic Statements To Improve Retiree Earnings (RETIRE) Act in the 115th Congress. Like your proposal, the RETIRE Act would also allow retirement plan sponsors to default participants into receiving notices and disclosures electronically, while ensuring they have a right to paper documents at no direct charge. This sensible default switch, in your proposal and our legislation, would materially benefit retirement savers. In fact, it was estimated that our legislation would

result in \$200 to \$500 million in aggregate savings annually that would accrue directly to retirement savers.

There is no question that existing Department of Labor rules are outdated. E-delivery will allow for more timely information, better opportunities for improved financial literacy, the potential for increased investment outcomes and lower fees for retirement savers communications. We thank you for proposing this rule and stand strongly with you in encouraging its swift implementation.

Sincerely,



David P. Roe, M.D.
Member of Congress



Mike Kelly
Member of Congress