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June 22, 2022

The Honorable Ron Wyden  
Chairman  
U.S. Senate Committee on Finance  
219 Senate Dirksen Office Building  
Washington D.C. 20510

The Honorable Mike Crapo  
Ranking Member  
U.S. Senate Committee on Finance  
219 Senate Dirksen Office Building  
Washington D.C. 20510

Dear Chairman Wyden and Ranking Member Crapo:

On behalf of Fidelity Investments, I am writing to express our support for the bipartisan legislation, the Enhancing American Retirement Now (EARN) Act of 2022. We appreciate the Committee's commitment to enhancing retirement savings and commend your bipartisan leadership on this important topic.

Fidelity is the nation's leading provider of workplace savings plans and we also provide access to savings through IRAs, small business SIMPLE and SEP plans, wealth management, retirement planning, brokerage services, workplace plan administration, college savings, and financial planning and engagement programs.

Access to workplace retirement plans for employers of all sizes, saving through IRAs, and numerous other tools are indispensable to the U.S. retirement system, and the enhancements included in the EARN Act will help our nation's workers achieve a more financially secure retirement. We strongly support the legislation and many of the reforms, including self-certification of hardship withdrawals, increasing the required minimum distribution (RMD) age to allow individuals to save more as they live and work longer, providing start-up credits for small employers to start or join a plan, and much more, a few of which are highlighted below.

Automatic portability, or auto-portability, refers to the routine, standardized, and automated movement of a retirement plan participant's 401(k) savings account from their former employer's plan to an active account in their current employer's plan. The EARN Act will help facilitate auto-portability between retirement plans so that individuals' savings can follow them through job changes, and prevent premature cash outs resulting in taxes and penalties.

More than ever, employees are looking to their employers to help with all areas of financial wellness, including tackling student loan debt. The EARN Act takes an important step to help those individuals by allowing employers to make "matching" contributions to a 401(k) plan while their employees make student loan repayments.

In addition, Pooled Employer Plans (PEPs), an innovation of the original SECURE Act of 2019, are an excellent step toward addressing the retirement coverage gap by making it easier for small businesses to access retirement savings plans. SECURE 2.0 builds upon that success and enhances PEPs and open multiple employer plans (MEPs) by allowing 403(b) plans to participate in those plans.

We are also supportive of the common-sense provision that would no longer require defined contribution plans to provide notices to unenrolled participants, other than an annual reminder notice of eligibility. This change will continue to encourage employees to enroll in their workplace plans without the cost and confusion caused by delivering voluminous information and detail that can be meaningful to active participants, but often can be overwhelming and stifles action among those not yet participating.

Relatedly, modernization and innovation that allows us to evolve alongside the participants we support is critical to the continued success of the retirement system. We are pleased that the EARN Act did not include a provision to require sending additional unnecessary paper disclosures to participants. It is important that Congress focus on policies that ensure participant preference for electronic delivery so that individuals are receiving up-to-date information in a convenient, cost-effective, and environmentally friendly manner. With a digital-first approach, Fidelity supports the delivery of plan related materials in a manner preferred by plan participants.

Fidelity is committed to advancing public policies that encourage positive savings behaviors and provide greater access to retirement coverage. We would be happy to provide the Committee with additional information, perspective, or resources as you work to advance these important policies.

Sincerely,

Kevin Barry  
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