

Union Calendar No. 183

118TH CONGRESS
1ST SESSION

H. R. 5340

[Report No. 118-224]

To amend the Employee Retirement Income Security Act of 1974 to ensure that pension plans provide notice to participants and beneficiaries on risks associated with certain investments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2023

Mr. BANKS introduced the following bill; which was referred to the Committee on Education and the Workforce

SEPTEMBER 26, 2023

Additional sponsor: Mrs. HOUCHIN

SEPTEMBER 26, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on September 5, 2023]

A BILL

To amend the Employee Retirement Income Security Act of 1974 to ensure that pension plans provide notice to participants and beneficiaries on risks associated with certain investments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Providing Complete In-*
5 *formation to Retirement Investors Act”.*

6 **SEC. 2. BROKERAGE WINDOW DISCLOSURES.**

7 *(a) IN GENERAL.—Section 404(c) of the Employee Re-*
8 *irement Income Security Act of 1974 (29 U.S.C. 1104(c))*
9 *is amended by adding at the end the following new para-*
10 *graph:*

11 “(7) *NOTICE REQUIREMENTS FOR BROKERAGE*
12 *WINDOWS.—*

13 “(A) *IN GENERAL.—In the case of a pension*
14 *plan which provides for individual accounts and*
15 *which provides a participant or beneficiary the*
16 *opportunity to choose from designated invest-*
17 *ment alternatives, a participant or beneficiary*
18 *shall not be treated as exercising control over as-*
19 *sets in the account of the participant or bene-*
20 *ficiary unless, with respect to any investment ar-*
21 *rangement that is not a designated investment*
22 *alternative, each time before such a participant*
23 *or beneficiary directs an investment into, out of,*
24 *or within such investment arrangement, such*
25 *participant is notified of, and acknowledges,*

1 *each element of the notice described under para-*
 2 *graph (B).*

3 “(B) NOTICE.—*The notice described under*
 4 *this paragraph is a four part information that*
 5 *is substantially similar to the following informa-*
 6 *tion:*

- “1. *Your retirement plan offers designated investment alternatives prudently selected and monitored by fiduciaries for the purpose of enabling you to construct an appropriate retirement savings portfolio. In selecting and monitoring designated investment alternatives, your plan’s fiduciary considers the risk of loss and the opportunity for gain (or other return) compared with reasonably available investment alternatives.*
2. *The investments available through this investment arrangement are not designated investment alternatives, and have not been prudently selected and are not monitored by a plan fiduciary.*
3. *Depending on the investments you select through this investment arrangement, you may experience diminished returns, higher fees, and higher risk than if you select from the plan’s designated investment alternatives.*
4. *The following is a hypothetical illustration of the impact of return at 4 percent, 6 percent, and 8 percent on your account balance projected to age 67.*

7 “(C) ILLUSTRATION.—*The notice described*
 8 *under paragraph (B) shall also include a graph*
 9 *displaying the projected retirement balances of*
 10 *such participant or beneficiary at age 67 if the*
 11 *account of such individual were to achieve an*
 12 *annual return equal to each of the following:*

13 “(i) 4 percent.

14 “(ii) 6 percent.

15 “(iii) 8 percent.”.

16 (b) DESIGNATED INVESTMENT ALTERNATIVE DE-
 17 FINED.—*Section 3 of such Act (29 U.S.C. 1002) is amended*
 18 *by adding at the end the following new paragraph:*

1 “(46) *DESIGNATED INVESTMENT ALTER-*
2 *NATIVE.*—

3 “(A) *IN GENERAL.*—*The term ‘designated*
4 *investment alternative’ means any investment*
5 *alternative designated by a responsible fiduciary*
6 *of an individual account plan described in sub-*
7 *section 404(c) into which participants and bene-*
8 *ficiaries may direct the investment of assets held*
9 *in, or contributed to, their individual accounts.*

10 “(B) *EXCEPTION.*—*The term ‘designated in-*
11 *vestment alternative’ does not include brokerage*
12 *windows, self-directed brokerage accounts, or*
13 *similar plan arrangements that enable partici-*
14 *pants and beneficiaries to select investments be-*
15 *yond those designated by a responsible plan fidu-*
16 *ciary.’.*”

17 “(c) *EFFECTIVE DATE.*—*The amendment made by sub-*
18 *section (a) shall take effect on January 1, 2025.*

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