

News Release

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SIMSBURY, CT, November 12, 2017 – Today, The SPARK Institute, Inc. praised [reintroduction](#) of the RETIRE Act, [H.R. 4610](#), bipartisan legislation that would allow plan sponsors to use e-delivery as the default distribution method for retirement plan documents

“The SPARK Institute commends Rep. Polis, Rep. Roe, Rep. Kind and Rep. Kelly for reintroducing the RETIRE Act and we offer our strong support for the bill,” said Tim Rouse, Executive Director of the SPARK Institute, Inc. **“The RETIRE Act ensures retirement savers will have greater access to needed information and online tools to assist them as they save and plan to retire.”**

The SPARK Institute has long believed that it is time to improve the way that we provide employees with information about their retirement benefits by making it easier for employers to communicate with employees electronically. Americans have embraced greater use of technology for retirement plan communications, as they have for almost every other area of their daily lives.

“The RETIRE Act strikes the right balance,” Rouse added **“allowing employers to furnish required disclosures electronically, while ensuring an employee can always request paper documents at no additional direct cost.”**

The SPARK Institute previously released a comprehensive white paper from Quantria Strategies, LLC entitled [“Improving Outcomes with Electronic Delivery of Retirement Plan Documents,”](#) which examines the rationales for allowing plan sponsors to make electronic delivery the default method for communicating with retirement plan participants. The white paper calculates that switching to an electronic delivery default would **produce \$200 to \$500 million in aggregate savings annually that would accrue directly to individual retirement plan participants.**

- **Attitudes Toward Electronic Delivery** – Findings from a study by Greenwald & Associates, sponsored by the SPARK Institute, and reported in the white paper suggest that a large majority (83%) find it acceptable to receive the information online instead if they have the option to return to paper at no cost.
- **Benefits Accruing to Participants** – Allowing retirement plan administrators to make electronic delivery a default would reduce the costs associated with their plans. As the research based on economic incidence theory shows, these cost savings would ultimately be passed back to participants, translating to lower expenses – and higher net investment returns – for participants. The study calculates that switching to an electronic delivery

default would produce \$200 to \$500 million in aggregate savings annually that would accrue directly to individual retirement plan participants.

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 85 million participants in 401(k) and other defined contribution plans. We are focused on promoting the important benefits of employer-sponsored retirement plans, which are critical to the financial security of Americans saving for retirement.

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