



By electronic submission via www.regulations.gov

July 16, 2024

The Honorable Lisa Gomez
Assistant Secretary
Employee Benefits Security Administration
Department of Labor
200 Constitution Ave, NW
Washington, D.C. 20210

Re: Abandoned Plan Regulations, RIN 1210-AC04

Dear Assistant Secretary Gomez:

Betterment LLC and its affiliated recordkeeping entity, Betterment for Business LLC (together, “Betterment”), appreciate the opportunity to comment on the proposed *Interim Final Rules with Request For Comments on the Abandoned Plan Regulations* as well as the revised prohibited transaction exemptions accompanying the Abandoned Plan Regulations, PTE 2006-06 (collectively, the “Proposal”).

Betterment pioneered the use of technology to provide investment advisory services primarily over the internet. This model lowered costs and expanded access to fiduciary investment advice that was previously only available to affluent investors. Betterment’s offering is anchored around long-term investing goals. We seek to build a smarter, more efficient money management platform for every investor.

Betterment manages over \$50 billion on behalf of nearly 900,000 clients, with a median age of around 40. We use technology to create engaging and transparent digital experiences that help clients identify investment and savings goals (such as retirement), select managed portfolios, and track their progress toward those goals. Our portfolios are composed primarily of globally diversified, low-fee exchange-traded funds (“ETFs”). We serve individual investors through our retail platform and employer-sponsored retirement plans through our Betterment at Work platform. Betterment at Work caters specifically to small and medium size businesses as an all-in-one 401(k) plan recordkeeper and investment manager, providing bundled ERISA 3(16) administrative fiduciary, recordkeeping, and ERISA 3(38) investment management fiduciary services to 401(k) plans and participants through a digital interface at competitive cost. By providing digital, low-cost, independent investment services to 401(k) plans, Betterment at Work has expanded access to fiduciary investment advice to a multitude of small business employees.



With respect to the Proposal, Betterment is generally supportive of the work that the Department has done to expand the Abandoned Plans program. We are concerned, however, about some of the Department's requests for additional comments on new distribution options. The Department notes that "the Abandoned Plan Program historically ha[s] preferred IRAs to other distribution options." We are concerned about the question as to whether the accounts in these abandoned plans should be transferred to the Pension Benefit Guaranty Corporation's Missing Participants Program for Defined Contribution Plans. We are not opposed to incorporating additional distribution options; however, we believe it would be a mistake to use the PBGC Missing Participants Program "as a replacement for all other distribution options." We believe that the current rollover distribution option helps to avoid negative tax consequences for participants and should be preserved as long as the option is subject to reasonable provider fees.

Moreover, as a company that utilizes technology to make saving for retirement more accessible and affordable, we believe that the Department should provide flexibility for the Qualified Termination Administrators in distributing the accounts. For example, when presented with the option to require paper notices or electronic disclosures, Betterment would advocate for the use of electronic disclosure to reduce costs and administrative burdens. We believe that providing electronic, proximate, and engaging disclosures is more likely to deliver relevant information at the point in time most relevant to a participant's decision-making and most likely to have a positive impact on retirement outcomes.

In sum, Betterment supports the expansion of the Abandoned Plans program to individual account plans whose sponsors are in Chapter 7 under the U.S. Bankruptcy Code. We urge the Department to take a flexible and participant-oriented approach as it evaluates further program expansions and other changes to the Abandoned Plans program. We stand ready to serve as a resource and thank you in advance for your consideration of our comments.

Sincerely,

Joshua Rubin

Joshua Rubin
VP, Legal