

PUBLIC SUBMISSION

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PROPOSED IMPLEMENTATION OF SECURE ACT REVISIONS TO FORM 5500
EMPLOYEE BENEFIT PLAN REPORTS

Comment On: EBSA-2021-0006-0002

Annual Information Return/Reports

Submitter Information

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General Comment

I have concerns regarding unintended consequences of the proposed regulatory change. I think it's great to try to lessen the regulation threshold so that plans that were not requiring an audit previously, would still fall in that category, unless they grew by active participants. However, I wonder what affects this might have on auto-enrollment plans. Auto-enrollment plans are a great way to get people investing for their retirement and are becoming quite popular. Currently, determination of a plan being subject to an audit is unaffected by a plan having an auto-enrollment option. However, under this rule change, plans would be incentivized to not have an auto-enrollment plan in order to have less active participants so that they can stay under the audit threshold. Would it maybe be better to increase the amount of eligible participants to qualify as a large plan to say 125 or 150? Auto-enrollment plans are one of the most successful methods of getting employees to save/invest for retirement, and we should strive to avoid regulation changes that would discourage plans from using this method. In addition, there might be some missed risk from making sure that all eligible participants are made aware that they are eligible.