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General Comment

As an ERISA specialist, I believe auto-portability between 401(a) plans, 403(b) plans, and even 457 plans is absolutely essential. I also believe that the $7,000 threshold is far too low in this era. The threshold should be $25,000 or even $50,000 for direct rollover into a new employer's plan unless an employee specifically opts out, which most will not.

Employees often leave their balances behind and forget about them because they are too busy to deal with the work involved in requesting a rollover. Employees also cash them out unnecessarily because elective IRA rollovers and plan-to-plan rollovers can be too difficult to negotiate. Rollovers often require checks to be issued, sent to employee homes, and then sent into the new plan with deposit forms. Direct rollovers into the plan where the employee now works will facilitate better retirement asset growth and lower asset loss and abandonment by making rollovers simple; it also will minimize the time assets are uninvested, which also improves long-term asset growth.

It is also IMPERATIVE to enable employees to easily ROLLOVER OUTSTANDING LOANS to their new employer to eliminate the risk of the taxation of benefits and encourage good long-term saving habits.