

113TH CONGRESS
2D SESSION

S. 2117

AN ACT

To amend title 5, United States Code, to change the default investment fund under the Thrift Savings Plan, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Smart Savings Act”.

3 **SEC. 2. THRIFT SAVINGS PLAN DEFAULT INVESTMENT**
 4 **FUND.**

5 (a) IN GENERAL.—Section 8438(c)(2) of title 5,
 6 United States Code, is amended to read as follows:

7 “(2)(A) Except as provided in subparagraph (B), if
 8 an election has not been made with respect to any sums
 9 available for investment in the Thrift Savings Fund, the
 10 Executive Director shall invest such sums in an age-appro-
 11 priate target date asset allocation portfolio of the funds
 12 described in subsection (b), as determined by the Execu-
 13 tive Director.

14 “(B) If an election has not been made by a member
 15 (as defined in section 211 of title 37) contributing to the
 16 Thrift Savings Fund under section 8440e with respect to
 17 any sums available for investment in such member’s Thrift
 18 Savings Fund account, the Executive Director shall invest
 19 such sums in the Government Securities Investment
 20 Fund.”.

21 (b) ACKNOWLEDGMENT OF RISK.—Section 8439(d)
 22 of title 5, United States Code, is amended—

23 (1) by inserting “(1)” before “Each employee”;

24 and

25 (2) by adding at the end the following:

1 “(2) Before the date on which an individual is en-
 2 rolled to make contributions to the Thrift Savings Fund,
 3 or as soon as practical thereafter, an individual who is
 4 automatically enrolled under section 8432(b)(2) shall re-
 5 ceive the risk acknowledgment information described in
 6 paragraph (1).”.

7 (c) TECHNICAL AND CONFORMING AMENDMENT.—
 8 Section 8472(g)(2) of title 5, United States Code, is
 9 amended by striking “required by section 8438 of this title
 10 to be invested in securities of the Government” and insert-
 11 ing “under section 8438(c)(2)(B)”.

12 (d) GUIDANCE.—Not later than 9 months after the
 13 date of enactment of this Act, the Executive Director (as
 14 that term is defined under section 8401(13) of title 5,
 15 United States Code) shall develop and issue guidance im-
 16 plementing the amendments made by this section.

17 (e) EFFECTIVE DATE AND APPLICATION.—The
 18 amendments made by this section shall—

19 (1) take effect on the date on which the Execu-
 20 tive Director issues guidance under subsection (d);
 21 and

22 (2) apply to individuals who enroll in the Thrift
 23 Savings Plan on or after such date.

1 **SEC. 3. CLARIFICATION OF FIDUCIARY PROTECTIONS.**

2 Section 8477(e)(1)(C)(ii) of title 5, United States
3 Code, is amended—

4 (1) in subclause (II)—

5 (A) by inserting “or beneficiary” after
6 “participant”; and

7 (B) by inserting “or option” after “fund”;
8 and

9 (2) in subclause (III)—

10 (A) by inserting “or beneficiary” after
11 “participant”; and

12 (B) by inserting “or beneficiaries’ ” after
13 “participants’ ”.

Passed the Senate September 16, 2014.

Attest:

Secretary.

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