

# The U.S. needs a pension registry to help people keep track of their savings

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**MarketWatch Blog** by Alicia H. Munnell



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## *A new Office of Lost and Found could be used to coordinate ongoing government initiatives*

The United States needs a national pension registry. Most other developed countries provide consolidated online information for participants on all their workforce retirement accounts. These pension registries, which include information on both active and inactive accounts, are helpful not only to participants but also to plan administrators, who can use them to locate missing participants and eliminate outstanding liabilities.

The federal government has bits and pieces of activities that could be coordinated into a full-fledged registry.

- Form 8955-SSA data, which are collected by the Internal Revenue Service and transmitted to the Social Security Administration (SSA), contain information from employers on deferred vested benefits under both defined benefit and defined contribution plans for over 33 million people. The information includes the name of any plan where a participant has savings, the plan administrator's name and address, the participant's name, Social Security number, savings balance, and the

year that the plan reported savings left behind. SSA sends this information when an individual files for Social Security benefits. Participants can request the information earlier, but SSA received only about 760 such requests in 2013.

- Form 5498 provides information on Individual Retirement Account (IRA) balances, which would be an extremely important component of any registry given that **IRAs now hold more money** than defined contribution plans.
- The Pension Benefit Guaranty Corporation (PBGC) maintains an online “Unclaimed Database” that provides a list of retirement plans administered by the PBGC to which workers have vested rights. Historically, this database was limited to private-sector defined benefit plans, but in January 2018, employers were given the option of also listing terminated 401(k) plans. The limitation of the PBGC data is that they include only terminated plans.
- In 2017, the Department of Labor (DOL) began to audit plans with a high number of vested participants not receiving benefits. The DOL now treats failure of a plan sponsor to find missing participants as a breach of fiduciary responsibility under ERISA.

In addition to these bits and pieces, Senators Elizabeth Warren (D-MA) and Steve Daines (R-MT) introduced legislation in 2016 that would establish an online registry in a new Office of the Retirement Savings Lost and Found that would allow employees to put in their name and find contact information for the administrators of all of their past employer-sponsored retirement accounts. The bill would also report “forced transfers,” which are small balances transferred to IRA accounts when participants cannot be located. Unfortunately, **the 2018 version** of the Warren-Daines legislation would weaken the current requirements on sponsors to search for retirees who are

owed benefits and could halt ongoing efforts by DOL described above. Provisions to weaken search requirements would hurt retirees and should be removed from the bill.

Congress should pass the pension registry and forced transfers portion of the Warren-Daines bill and use it as a mechanism to coordinate the initiatives underway throughout the government to ensure that plan participants get the benefits to which they are entitled. This is an easy step to improve our retirement income system. Let's do it.