

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4193

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## 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) Consistent with the requirements of subpara-  
8 graph (B), if an election has not been made with respect  
9 to any sums available for investment in the Thrift Savings  
10 Fund, the Executive Director shall invest such sums in  
11 an age-appropriate target date asset allocation investment  
12 fund, as determined by the Executive Director. Such in-  
13 vestment fund shall consist of any of the funds described  
14 in subsection (b).

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

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

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

24 (2) by adding at the end the following new  
25 paragraph:

1 “(2) Prior to enrollment in the Thrift Savings Fund,  
2 or as soon as practicable thereafter, an individual who is  
3 automatically enrolled pursuant to section 8432(b)(2)  
4 shall receive the risk acknowledgment information de-  
5 scribed under paragraph (1).”.

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

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

16 (e) EFFECTIVE DATE AND APPLICATION.—The  
17 amendments made by subsections (a) and (b) shall—

18 (1) take effect on the date that the Executive  
19 Director issues guidance under subsection (d); and

20 (2) apply to individuals enrolled in the Thrift  
21 Savings Plan on or after such date.

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

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

25 (1) in subclause (II)—

1           (A) by inserting “or beneficiary” after  
2           “participant”; and

3           (B) by inserting “or option” after “fund”;  
4           and

5           (2) in subclause (III)—

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

8           (B) by inserting “or beneficiaries’” after  
9           “participants’”.

Passed the House of Representatives July 14, 2014.

Attest:

*Clerk.*



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