

117TH CONGRESS
1ST SESSION

H. R. 5888

To improve the provision of financial literacy training and information relating to the Blended Retirement System to members of the Armed Forces, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 4, 2021

Mrs. WAGNER (for herself and Mr. DAVID SCOTT of Georgia) introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committee on Oversight and Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the provision of financial literacy training and information relating to the Blended Retirement System to members of the Armed Forces, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Readiness
5 of America’s Servicemembers Act of 2021”.

1 **SEC. 2. IMPROVEMENTS TO FINANCIAL LITERACY TRAIN-**
2 **ING.**

3 (a) IN GENERAL.—Subsection (a) of section 992 of
4 title 10, United States Code, is amended—

5 (1) in paragraph (2)(C), by striking “grade E–
6 4” and inserting “grade E–6”; and

7 (2) by adding at the end the following new
8 paragraph:

9 “(5) In carrying out the program to provide
10 training under this subsection, the Secretary con-
11 cerned shall—

12 “(A) require the development of a standard
13 minimum curriculum across all military depart-
14 ments for such training that—

15 “(i) focuses on ensuring that members
16 of the armed forces who receive such train-
17 ing develop proficiency in financial literacy
18 rather than focusing on completion of
19 training modules;

20 “(ii) is based on best practices in the
21 financial services industry; and

22 “(iii) is designed to address the needs
23 of members and their families;

24 “(B) ensure that such training—

25 “(i) is conducted by a registered in-
26 vestment adviser or a broker-dealer reg-

1 istered with the Securities and Exchange
2 Commission who utilizes instructors with
3 advanced credentials (as determined by the
4 Secretary); and

5 “(ii) is provided, to the extent prac-
6 ticable—

7 “(I) in a class held in person
8 with fewer than 50 attendees;

9 “(II) one-on-one between the
10 member and a financial services coun-
11 selor or a qualified representative de-
12 scribed in subclause (III) or (IV) of
13 subsection (b)(2)(A)(ii); or

14 “(III) remotely via electronic
15 means;

16 “(C) ensure that—

17 “(i) an in-person or remote class de-
18 scribed in subparagraph (B)(i)(I) is avail-
19 able to the spouse of a member; and

20 “(ii) if a spouse of a member is un-
21 able to attend such a class in person—

22 “(I) training is available to the
23 spouse through the Military
24 OneSource Program; and

1 “(II) the member is informed
2 during the in-person training of the
3 member under subparagraph (B)(i)
4 with respect to how the spouse of the
5 member can access the training; and

6 “(D) ensure that such training, and all
7 documents and materials provided in relation to
8 such training, are presented or written in a
9 manner that the Secretary concerned deter-
10 mines can be understood by the average en-
11 listed member.”.

12 (b) QUALIFIED REPRESENTATIVES FOR COUNSELING
13 FOR MEMBERS AND SPOUSES.—Subsection (b)(2) of such
14 section is amended—

15 (1) in subparagraph (A)(ii), by adding at the
16 end the following:

17 “(IV) Through qualified representatives of
18 banks or credit unions operating on military in-
19 stallations pursuant to an agreement with the
20 Secretary concerned, or through a qualified rep-
21 resentative of a financial planning firm who has
22 been approved by the Secretary concerned to
23 provide such counseling on a military installa-
24 tion pursuant to regulations or guidance pre-
25 scribed by the Secretary concerned; and”;

1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(C) No professional financial planning firm may be
4 disqualified from providing counseling under subpara-
5 graph (A)(ii) solely on the basis that the firm operates
6 a commercial business in the financial services industry.”.

7 (c) PROVISION OF RETIREMENT INFORMATION.—
8 Such section is further amended—

9 (1) by redesignating subsections (d) and (e) as
10 subsections (e) and (g), respectively; and

11 (2) by inserting after subsection (c) the fol-
12 lowing new subsection (d):

13 “(d) PROVISION OF RETIREMENT INFORMATION.—In
14 each training under subsection (a) and in each meeting
15 to provide counseling under subsection (b), a member of
16 the armed forces shall be provided with the following, in
17 both hard copy and electronic format:

18 “(1) All forms relating to retirement that are
19 relevant to the member, including with respect to the
20 Thrift Savings Plan.

21 “(2) Information with respect to how to find
22 additional information.

23 “(3) Contact information for—

24 “(A) a counselor provided through—

1 “(i) the Personal Financial Counselor
2 program, Personal Financial Management
3 program, or the Military OneSource Pro-
4 gram; or

5 “(ii) a nonprofit organization or agen-
6 cy that has a current agreement with the
7 Secretary concerned to provide financial
8 services counseling; or

9 “(B) a qualified representative of—

10 “(i) a bank or credit union operating
11 on a military installation pursuant to an
12 agreement with the Secretary concerned;
13 and

14 “(ii) a certified financial planning
15 firm approved by the Secretary concerned
16 to provide such counseling on a military in-
17 stallation pursuant to regulations or guid-
18 ance prescribed by the Secretary con-
19 cerned.”.

20 (d) ADVISORY COUNCIL ON FINANCIAL READI-
21 NESS.—Such section is further amended by inserting after
22 subsection (e), as redesignated by subsection (c)(1), the
23 following new subsection:

24 “(f) ADVISORY COUNCIL ON FINANCIAL READI-
25 NESS.—(1) There is established an Advisory Council on

1 Financial Readiness (in this section referred to as the
2 ‘Council’).

3 “(2)(A) The Council shall consist of 15 members ap-
4 pointed by the Secretary of Defense, as follows—

5 “(i) three shall be representatives of military
6 support organizations;

7 “(ii) three shall be representatives of veterans
8 service organizations;

9 “(iii) three shall be representatives of private
10 nonprofit organizations with a vested interest in
11 education and communication of financial education
12 and financial services;

13 “(iv) three shall be representatives of firms who
14 employ registered investment advisors or broker-
15 dealers as defined under the Federal securities laws;
16 and

17 “(v) three shall be representatives of govern-
18 mental entities with a vested interest in education
19 and communication of financial education and finan-
20 cial services.

21 “(B) The Secretary shall appoint members to the
22 Council from among individuals qualified to appraise mili-
23 tary compensation, military retirement, and financial lit-
24 eracy training.

1 “(C) Members of the Council shall serve for terms
2 of three years, except that, of the members first ap-
3 pointed—

4 “(i) five shall be appointed for terms of one
5 year;

6 “(ii) five shall be appointed for terms of two
7 years; and

8 “(iii) five shall be appointed for terms of three
9 years.

10 “(D) A member of the Council may be reappointed
11 for additional terms.

12 “(E) Any member appointed to fill a vacancy occur-
13 ring before the expiration of the term of office for which
14 such member’s predecessor was appointed shall be ap-
15 pointed only for the remainder of such term.

16 “(3) The Council shall—

17 “(A) advise the Secretary with respect to mat-
18 ters relating to the financial literacy and financial
19 readiness of members of the armed forces; and

20 “(B) submit to the Secretary recommendations
21 with respect to those matters.

22 “(4)(A) Subject to subparagraph (B), the Council
23 shall meet not less frequently than twice each year and
24 at such other times as the Secretary requests.

1 “(B) A majority of members shall constitute a
2 quorum and action shall be taken only by a majority vote
3 of the members present and voting.

4 “(5) The Secretary—

5 “(A) shall provide to the Council an executive
6 secretary and such secretarial, clerical, and other
7 support services as the Council considers necessary
8 to carry out the duties of the Council; and

9 “(B) may request that other Federal agencies
10 provide statistical data, reports, and other informa-
11 tion that is reasonably accessible to assist the Coun-
12 cil in the performance of the duties of the Council.

13 “(6) While away from their homes or regular places
14 of business in the performance of services for Council,
15 members of the Council shall be allowed travel expenses,
16 including per diem in lieu of subsistence, in the same man-
17 ner as persons employed intermittently in the Government
18 service are allowed expenses under section 5703 of title
19 5.

20 “(7) Not less frequently than annually, the Secretary
21 shall submit to Congress a report that—

22 “(A) describes each recommendation received
23 from the Council during the preceding year; and

24 “(B) indicates, with respect to each such rec-
25 ommendation, whether the Secretary has imple-

1 mented the recommendation and, if not, an expla-
2 nation of why the Secretary has not implemented
3 the recommendation.

4 “(8) Section 14(a) of the Federal Advisory Com-
5 mittee Act (5 U.S.C. App.) (relating to termination) shall
6 not apply to the Council.

7 “(9)(A) Subject to subparagraph (B), the Council
8 shall terminate on the day that is five years after the date
9 of the enactment of the Financial Readiness of America’s
10 Servicemembers Act of 2021.

11 “(B) The Secretary may renew the Council for an
12 additional periods each of which shall not exceed five years
13 in duration.

14 “(10) In this subsection:

15 “(A) The terms ‘broker-dealer’ and ‘registered
16 investment advisor’ have the meanings given such
17 terms in section 202 of the Investment Advisers Act
18 of 1940 (15 U.S.C. 80a-3).

19 “(B) The term ‘military support organization’
20 means an organization that provides support to
21 members of the armed forces and their families with
22 respect to education, finances, health care, employ-
23 ment, and overall well-being.

1 “(C) The term ‘private nonprofit organization’
2 means an entity described in section 501(c) of the
3 Internal Revenue Code of 1986 (26 U.S.C. 501(c)).

4 “(D) The term ‘veterans service organization’
5 means any organization recognized by the Secretary
6 of Veterans Affairs for the representation of vet-
7 erans under section 5902 of title 38.”.

8 (e) REPORT ON EFFECTIVENESS OF FINANCIAL
9 SERVICES COUNSELING.—Not later than three years after
10 the date of the enactment of this Act, the Secretary of
11 Defense shall submit to the congressional defense commit-
12 tees (as that term is defined in section 101 of title 10,
13 United States Code) a report on financial literacy training
14 and financial services counseling provided under section
15 992 of title 10, United States Code, as amended by this
16 section, that assesses—

17 (1) the effectiveness of such training and coun-
18 seling, which shall be determined using actual local-
19 ized data similar to the Unit Risk Inventory Survey
20 of the Army; and

21 (2) whether additional training or counseling is
22 necessary for enlisted members of the Armed Forces
23 or for officers.

24 (f) REGULATIONS.—Not later than 120 days after
25 the date of the enactment of this Act, the Secretary of

1 Defense shall prescribe regulations to carry out this sec-
2 tion.

3 **SEC. 3. REPORT ON IMPROVED ACCESS TO THRIFT SAV-**
4 **INGS PLAN.**

5 Not later than 18 months after the date of the enact-
6 ment of this Act, the Federal Retirement Thrift Invest-
7 ment Board shall submit to Congress a plan for improving
8 the access of members of the Armed Forces to information
9 about the Thrift Savings Plan that—

10 (1) takes into account the time likely to pass
11 between the mailing of account information to a
12 member of the Armed Forces and the time the mem-
13 ber is likely to receive the information; and

14 (2) includes recommendations for legislation
15 necessary to improve such access.

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