U.S. Chamber of Commerce ASA FINANCIAL SERVICES INSTITUTE IPA

SAFER Act: Protecting American Investors from Government-Sanctioned Theft

Congress can protect American investors by enacting the Safeguarding Americans' Fairly Earned Retirement Act of 2026 (SAFER Act). Investors should not lose their savings to their state government because they did not log into their account or moved addresses.

The bipartisan SAFER Act creates a common-sense national framework for investments subject to state escheatment laws, protecting millions of Americans' savings from unfair state inactivity standards.

Escheatment Defined

When private accounts appear inactive for an extended duration, states can deem them abandoned. When that occurs, the state can take ownership of the assets (securities, real estate, bank accounts, and other assets).

1 in 7 Americans have unclaimed property, with states holding over $100 billion. Search missingmoney.com to see if you have unclaimed funds.

In 2024, states returned $4.49 billion to owners, compared with an estimated $70 billion in unclaimed property nationwide.

The Problem

America's unclaimed property system is outdated, fragmented, and increasingly harmful to investors. An inconsistent and increasingly aggressive patchwork of state policies often misidentify investors as lost, resulting in real financial harm to Americans, especially retirees and long-term savers.

Some states are adopting more aggressive standards for determining accounts as dormant.

- **Shortening dormancy periods:** Most states now set a 3-year limit for investment accounts.
- **Online inactivity standards:** Lack of login or trading can be treated as abandonment, even for long-term investors.
- **Returned mail:** Undeliverable mail can also trigger escheatment but is unreliable in today's digital-first world.

Finally, some states are increasingly using Americans' hard-earned savings as a source of revenue instead of working to reunite them with their lost property.

In Ohio, lawmakers have explored using unclaimed funds for sports and cultural facilities, including $600 million for the Cleveland Browns stadium project.

Responsible Investors Are Penalized

"Buy-and-hold" investors are often flagged as inactive despite following conventional financial advice to ignore short-term financial events in favor of a long-term strategy.

Lost Gains

Although investors may reclaim their escheated funds from the state, they will have lost out on market gains, dividends, and interest on their accounts, since states often liquidate escheated investments. The longer funds are abandoned to states, the more investors lose out on growing their retirement and investment savings.

The Solution: The SAFER Act

Congress has an opportunity to establish a consistent national framework that ensures investors' financial assets and retirement security are protected.

The bipartisan SAFER Act, sponsored by Rep. Sam Liccardo (D-CA) and Rep. Mike Lawler (R-NY), creates a common-sense national framework for when investments may be deemed abandoned.

Key Protections

- **Confirmation of death as the trigger:** Assets can only be escheated after verified death—ensuring owners are truly unable to claim them.
- **Ends unreliable state triggers:** Preempts inactivity standards and returned-mail rules that misclassify active investors.
- **Protects long-term investors and retirees:** Aligns policy with how Americans save and invest today, as financial professionals often counsel investors to adopt a long-term buy-and-hold strategy.
- **Provides clear, uniform national rules:** Reduces confusion and strengthens consumer protections across all states.
- **Preserves state authority:** Protects investors without disrupting states' longstanding authority over unclaimed property.

The SAFER Act delivers a balanced solution—protecting Americans while ensuring states receive unclaimed property at the right time and for the right reasons.

Bipartisan Concerns

> "We're literally seeing grandma's retirement seized to build sports stadiums."
>
> Rep. Liccardo (D-CA)

> "States have been able to raid Americans' savings under the guise of 'unclaimed property,' leaving families blindsided when they discover their investments were seized or liquidated without real cause."
>
> Rep. Lawler (R-NY)

Case Study
Lost Amazon Stock

Walter Schramm invested about $6,000 in Amazon stock through an E*Trade account in the 1990s. Two decades later, he discovered the account had been deemed "abandoned," with Delaware liquidating the shares in 2008 for just $8,000. Had the investment remained intact, it would have been worth roughly $100,000. Because escheatment extinguished his claim to future gains, Schramm lost approximately $92,000 in appreciation and is still seeking legal recourse.