



**DIRK KEMPTHORNE**  
*President & Chief Executive Officer*

March 13, 2018

The Honorable Orrin G. Hatch  
Chairman  
Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

On behalf of the American Council of Life Insurers (ACLI), we would like to thank you for introducing S. 2526, the Retirement Enhancement and Savings Act (RESA). RESA is a comprehensive package of provisions that will enhance and improve the current retirement system.

ACLI is a Washington, D.C.-based trade association with approximately 290-member companies operating in the United States and abroad. ACLI advocates in state, federal, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing 95 percent of industry assets in the United States.

RESA will expand employee access to retirement savings plans, help increase account contributions and facilitate access to lifetime income. Specifically, RESA will enhance the current retirement system by:

**Encouraging Small Employer Retirement Plan Coverage.** Expands retirement plan access through open Multiple Employer Plans (MEPs), which permit employers who are not yet prepared to sponsor a retirement plan on their own, to join with other employers to achieve economies of scale and receive advantages with respect to plan administration.

**Incentivizing Small Employer Retirement Plan Creation:** Encourages small employers to establish a plan by providing them with up to a \$5,000 credit towards start-up costs.

**Creating Auto-enrollment Enhancements:** Removes the 10 percent cap on automatic employee contribution rate increases, allowing employees to automatically save more for retirement on a yearly basis. Additionally, employers can take up to a \$1,500 credit to add auto-enrollment to a new or existing plan.

**Providing Education to Retirement Plan Participants:** Provides plan participants with an illustration of how their savings account balance translates into monthly lifetime income in retirement.

**Providing Certainty to Employers Offering an Annuity Option:** Provides employers greater certainty in offering plan participants the option to elect to take a portion of their retirement savings in the form of an annuity which ensures income for life.

Again, thank you for your leadership on S. 2526. We look forward to working with you and your staffs on this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dirk Kempthorne", with a long horizontal flourish extending to the right.

GOVERNOR DIRK KEMPTHORNE