NOW IS THE TIME TO HELP AMERICA'S RETIREMENT SAVERS

Congress has a once-in-a-generation opportunity to enact comprehensive legislation that would improve Americans' retirement security.

Congress is poised to consider legislation that would improve the retirement security system and help more Americans save for retirement. This important legislation is needed today – every day between now and the year 2030, 10,000 Americans will reach age 65. To ensure more Americans have access to products that can help them attain a secure retirement, Congress needs to act now. Any final retirement legislation should:



Make it easier for workers to manage retirement savings by increasing education and access to lifetime income products for all retirement plans.

Increasing access to and understanding of lifetime income products can be accomplished by (1) improving the current regulatory safe harbor employers can use when choosing an annuity provider for their retirement plan; (2) allowing increased portability of lifetime income investments so savers can preserve their accumulated guaranteed lifetime income benefits; and (3) increasing Americans' understanding of how much they need to save to meet their retirement goals by ensuring they receive an illustration on their yearly benefit statement of the estimated monthly income they could receive from their account balance.



Increase access to retirement plans, especially for small businesses.

Removing unnecessary barriers to employers joining together to offer an open multiple-employer plan ("open MEP") would make it easier for employers to achieve economies of scale, relieve administrative burdens, and reduce liabilities associated with operating retirement plans. Additionally, providing small employers with up to a $5,000 tax credit for three years toward the costs of starting a plan for their employees would incentivize adoption of workplace retirement plans.



Increase worker participation and savings rates by enhancing automatic enrollment and contribution increase features within employer-sponsored plans.

By removing the 10% cap on automatic increases to employee contributions, but still allowing employees to opt out of such increases, employers will be able to help their employees save more for retirement. To incentivize this helpful practice, which has been proven to increase retirement savings, employers should receive up to a $1,500 tax credit for adding auto-enrollment to a new or existing plan.



Ensure that approximately 250,000 workers do not lose future retirement benefits by providing non-discrimination testing relief for closed defined benefit pension plans.

Many defined benefit plans that are closed to new participants have been forced to freeze, eliminating additional benefits for participants, due to compliance challenges with non-discrimination testing regulations. To prevent future unintended and unnecessary consequences like plan freezes, plan sponsors should be allowed to protect the benefits of a grandfathered group if the plan meets certain requirements.



Preserve important retirement plan options for thousands of clergy and lay workers employed by religiously-affiliated organizations and institutions.

Clarification is needed so that employees of church-related organizations and institutions – like schools, nursing homes, and social service providers – can continue to participate in certain retirement plans offered by their sponsoring religious denomination, helping the employees of these organizations save for retirement.

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