



May 22, 2019

Dear Representative:

On behalf of our nearly 38 million members and all older Americans, AARP supports the Setting Every Community Up for Retirement Act of 2019 (SECURE Act).

The SECURE Act contains a number of provisions that will improve both access and levels of coverage in employer-sponsored retirement savings plans. The legislation would enhance tax credits for employers that offer retirement plans with automatic enrollment and encourage more adequate deferral amounts. The legislation would also make it easier for small businesses to offer employees an automatic savings option through a multiple employer pension plan – a single plan in which a pooled provider assumes the primary fiduciary duties, making it easier for smaller employers to join together to offer a retirement plan to their workers.

Another important component of the SECURE Act is the expansion of access to retirement savings plans for part-time workers. There are more than 27 million part-time workers in the U.S., including more than seven million Americans age 55 and older. According to AARP research, 38% of those age 25 to 49 and 26% of those age 50 to 64 who work part-time do so because of caregiving responsibilities – either for children or an adult loved one. Helping these workers save for retirement through a workplace savings plan would be important for their long-term financial security. The bill would be especially helpful to both caregivers and older workers who shift from full-time to part time status.

The bill would also give workers more information to prepare for retirement as well as protections to safeguard their hard-earned savings. It would require that workers' benefit statements add a lifetime income disclosure so that the statements show not just a lump sum, but the monthly value of their savings at retirement. Seniors would also be able to delay the required draw down of retirement savings until age 72, giving them more time to accumulate savings. The bill would also clarify rules on how employers and plans may select appropriate lifetime income payments. It is important to retain strong fiduciary law protections that ensure all retirement plan decisions, including for pooled plans and annuity selections, are made solely in the interest of participants and beneficiaries.

We urge you to vote YES on the SECURE Act, and look forward to working with you to enact legislation to enhance the ability of American workers to save for a secure retirement. If you have any questions, please feel free to call me, or have your staff contact Michele Varnhagen on our Government Affairs staff at 202-434-3829 or mvarnhagen@aarp.org.

Sincerely,

Nancy A. LeMond
Executive Vice President and
Chief Advocacy and Engagement Officer