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May 20, 2021

The Honorable Ben Cardin
U.S. Senator
509 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Rob Portman
U.S. Senator
448 Russell Senate Office Building
Washington, DC 20510

Dear Senators Cardin and Portman:

AARP, on behalf of our 38 million members and all older Americans nationwide, appreciates your bipartisan efforts to improve retirement savings opportunities through introduction of the Retirement Security and Savings Act of 2021. While Social Security continues to be the bedrock of retirement income for most American workers and their families, individuals want and need additional retirement income sources. Your bipartisan work would make several important improvements to current law.

Under your bill, more people who work part-time will be able to enroll in their employers' retirement savings plans, by allowing them to save after only two (rather than three) years of employment. More than 27 million workers work less than full-time, and this change will be especially helpful to the many older workers who can only find part-time work or need to work part-time due to caregiving responsibilities.

For workers who are struggling to save for retirement, the bill expands the current Savers' tax credit to provide an enhanced matching contribution to millions of additional low and moderate-income families. AARP supports the bill's provisions to increase the eligible income thresholds and to restructure the credit similar to the matching contribution many employers offer in their retirement savings plans. The matching contribution is both an incentive for individuals to save for retirement while also providing additional retirement funds.

The bill makes improvements to the required minimum distribution rules, including exempting a threshold amount, that will both simplify distribution rules and help preserve savings. We also support the inclusion of a national retirement Lost and Found office to help workers locate retirement accounts they may have had with previous employers. This is increasingly important

as more and more workers change jobs several times throughout their careers. AARP is also pleased the bill sets national standards for recovering plan overpayments that were no fault of the worker or retiree and prohibits employers from requiring more than 10% repayment a year.

AARP looks forward to continuing to work with you to harmonize your bill with important improvements in the companion House bill, particularly by adding meaningful disclosure provisions. The House bill requires that plan participants receive at least one annual paper statement of their earned benefits. Full and meaningful disclosure is critical to individual planning and pension law generally, and Congress needs to ensure workers will receive and can review important retirement plan documents. Congress also should review the development of pooled plans, which we supported in your earlier legislation as a means to expand low-cost retirement coverage. While the law requires the Department of Labor to set plan standards, no rules have yet been issued.

We look forward to continuing to work with you to enact legislation to help every American adequately save and plan for retirement. If you have any further questions, please feel free to call me, or have your staff contact Michele Varnhagen at MVarnhagen@aarp.org or (202) 434-3829.

Sincerely,



Bill Sweeney
Senior Vice President
Government Affairs