



June 22, 2022

The Honorable Ron Wyden
Chair
U.S. Senate Committee on Finance
219 Senate Dirksen Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
U.S. Senate Committee on Finance
219 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Chair Wyden and Ranking Member Crapo:

On behalf of our 38 million members and all older Americans nationwide, AARP appreciates your leadership to improve retirement savings opportunities in the Enhancing American Retirement Now (EARN) Act of 2022. 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 legislation, in conjunction with the work the Senate Health, Education, Labor and Pension Committee has done on the Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg (RISE & SHINE) Act of 2022 and the House on the Securing a Strong Retirement Act (Secure 2.0), would help people saving for retirement by making several significant enhancements to current law.

AARP strongly supports the provision in the EARN Act allowing more of the 27 million employees across the country who work part-time to enroll in workplace retirement plans sooner. This bill would reduce the requirement for part-time workers to participate in an employers' retirement savings plan from three years of service down to two years. This 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. It will also be important to women, who make up almost 60 percent of the part time workforce.

We also support the Committee's work to enhance the Saver's Credit by making it refundable up to \$1,000. The EARN Act would help low- and moderate-income savers by depositing the credit into a retirement account, making the credit function like an additional match.

We applaud the Committee for its work on automatic enrollment. AARP research shows that workers are 20 times more likely to save for retirement if they have access to an automatic enrollment plan at work. As negotiations move forward, we urge the Senate to supplement the Senate Finance tax credits with the House provision in Secure 2.0 requiring employers with more than ten employees to automatically enroll workers in new retirement savings plans.

AARP is also pleased that the Committee included provisions regarding Lost and Found, increasing the requirement minimum distribution age, and overpayment recovery in the EARN Act. While we applaud the committee's efforts to look holistically at the American family's budget, specifically regarding the need for emergency savings and long-term care, we urge the

Senate to consider solutions to these important issues in a way that does not promote leakage from retirement accounts, which research shows diminishes retirement account balances by about 25 percent on average.

As negotiations on this retirement package continue, we strongly encourage the Senate to include the bipartisan House provision providing an annual paper statement of benefits to ensure families know where they stand when saving for retirement. As the U.S. increasingly relies on individual account-based retirement savings plans, workers and their families must timely understand, monitor, and manage their lifetime savings. Full and meaningful disclosure is critical to individual planning and pension law generally. Recent [AARP polling](#) shows that most adults with employer-sponsored retirement plans would prefer to receive paper statements in the mail at least once a year. This is especially true for those age 50+, those with household incomes under \$50,000, and those who do not use computers at work. The poll also shows that respondents are more likely to read and save paper statements. No document is more fundamental than an individual's annual benefit statement. AARP also supports the ability of individuals to choose to receive information electronically, as well as the retention of such information. We also urge the retention of the pretax option for catch-up contributions.

We look forward to continuing to work with you to help every American adequately save for retirement in order to be independent as they age. If you have any further questions, please feel free to call me, or have your staff contact Sarah Mysiewicz at SMysiewicz@aarp.org or (202) 434-6763.

Sincerely,



Bill Sweeney
Senior Vice President
Government Affairs