



Leadership Council
of *Aging Organizations*

September 12, 2022

The Honorable Ron Wyden
Chair, Senate Finance Committee

The Honorable Mike Crapo
Ranking Member, Senate Finance Committee

The Honorable Patty Murray
Chair, Senate HELP Committee

The Honorable Richard Burr
Ranking Member, Senate HELP Committee

The Honorable Frank Pallone
Chair, House Energy and Commerce
Committee

The Honorable Cathy McMorris Rodgers
Ranking Member, House Energy and Commerce
Committee

The Honorable Richard Neal
Chair, House Ways and Means
Committee

The Honorable Kevin Brady
Ranking Member, House Ways and Means
Committee

The Honorable Bobby Scott
Chair, House Education and Labor
Committee

The Honorable Virginia Foxx
Ranking Member, House Education and Labor
Committee

Dear Member of Congress,

The Leadership Council of Aging Organizations (LCAO), a coalition of 67 national nonprofit organizations concerned with the well-being of America's older populations, writes to express our appreciation for those provisions that will improve retirement savings opportunities in the Enhancing American Retirement Now (EARN) Act of 2022, the *Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg* (RISE & SHINE) Act of 2022, and the *Securing a Strong Retirement Act* (Secure 2.0).

LCAO supports Congress'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 Congress for its work on automatic enrollment. As negotiations on this retirement package 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.

We strongly encourage you to include the bipartisan House provision in Secure 2.0 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. No document is more fundamental than an individual's annual benefit statement. LCAO also supports the ability of individuals to choose to receive information electronically, as well as the retention of such information.

LCAO 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 applaud the RISE & SHINE Act's clear and equitable rules regulating the practice of recoupment, where plans accidentally overpay individuals and then demand repayment – often with interest – years later when they catch the mistake. The bill clarifies that plans are not required to recoup past overpayments and provides new protections for retirees when a plan decides to go forward with a proper recoupment.

We support the inclusion of the provisions in the House-passed SECURE Act for the creation of the Retirement Savings Lost and Found Registry, which is essential to protecting the retirement security of tens of thousands of workers and retirees who otherwise will not be able to find and apply for their hard-earned benefits. The basic purpose of the Registry is to create a convenient one-stop website, housed in the Department of Labor, to enable older employees, widows and spouses who are owed benefits to find “lost plans,” so they can apply for and receive the benefits they earned through their work.

We support EARN provisions to allow employers to enroll their workers in emergency savings accounts and withdraw up to \$1,000 per year without tax penalties. Similar provisions were approved by Congress during the pandemic. We would appreciate the inclusion of clear fiduciary oversight guardrails to require prudent low-fee investments to help address leakage concerns in this and the EARN small account rollover provision. We also generally support RISE & SHINE provisions to create Pension-Linked Emergency Savings Accounts along with consumer notice and fiduciary guardrails. It is noteworthy that a recent survey found that only 44 percent of Americans have enough savings to cover an unplanned expense of \$1,000, and that there is evidence indicating that many workers are reluctant to participate in employer-sponsored retirement plans because they fear their money will be locked up and unavailable if needed in case of an emergency.

We urge that any final bill provide clear consumer and fiduciary protections over all provisions that permit new employee monies in retirement accounts, including the provision permitting new small employer IRA plans in the EARN Act. We hope to continue working with Congress to develop additional legislation to automatically provide adequate retirement savings to those in the half of the workforce who currently are not offered employer provided savings plans.

We appreciate the inclusion of the bipartisan, bicameral ABLE Age Adjustment Act as part of the EARN Act. This provision would allow people who develop their disabilities before age 46 to establish ABLE accounts, allowing them to save for future disability-related expenses without placing needed services, health care, and income support at risk. The ABLE Age Adjustment Act will allow an additional 6 million people with disabilities to open ABLE accounts, nearly doubling the current eligible population, and providing access to ABLE accounts for people who become disabled later in life.

Introduced by Senators Brown and Portman, the bipartisan SSI Savings Penalty Elimination Act would significantly improve the lives of Supplemental Security Income (SSI) recipients by raising the asset limit from \$2,000 per individual/\$3,000 per couple to \$10,000 per individual/\$20,000 per couple. The legislation also adjusts that number for inflation every year, a critical element in today's inflationary environment. While this bill was offered as an amendment to the EARN Act and then withdrawn, we thank Senators Brown and Portman for raising this issue, and stand ready to work with Congress to move this critically important piece of legislation forward.

We also support the amendment offered to the EARN Act and withdrawn by Senator Brown that would exclude retirement accounts from countable resources for purposes of SSI eligibility. SSI's asset rules keep too many low-income older adults and people with disabilities in poverty and discourages savings. This modest step would end a disincentive for saving for retirement without risking the loss of critical public benefits.

We thank you for your work on improving retirement savings opportunities for older adults in the EARN Act, the RISE & SHINE Act, and Secure 2.0. Please contact LCAO Income Security committee co-chairs Ross Apter (rapter@narfe.org) and Kate Lang (klang@justiceinaging.org) with any questions or to discuss further.

Sincerely,