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December 15, 2017

The Honorable Tim Walberg
Chairman Subcommittee on Health, Employment,
Labor and Pensions
Committee on Education and the Workforce
United States House of Representatives
Washington, DC 20515

The Honorable Lisa Blunt Rochester
United States House of Representatives
Washington, DC 20515

Dear Chairman Walberg and Representative Blunt Rochester:

The Insured Retirement Institute (IRI)¹ is writing to express our support for H.R. 4604, the *Increasing Access to a Secure Retirement Act*, a bipartisan measure to establish specific guidelines for employers who want to include annuities on their retirement plan menus. We are pleased to see the bill introduced because it highlights the significant role guaranteed lifetime income can play when offered as part of a workplace retirement plan. IRI has long supported the clarification of the rule and we are proud to once again reiterate our staunch support for the expeditious enactment of this legislation into law.

As the sponsors of this legislation, you are aware the current Department of Labor rules make it very difficult and onerous for employers to satisfy their fiduciary responsibilities, if they choose to offer lifetime income options such as annuities as part of their retirement plan for their workers. As a result, many employers opt to not offer lifetime income options, due in large part to the rule's requirement that they, as the plan sponsor must take responsibility for determining whether the annuity provider will be able to satisfy all obligations under the contract. We support this bill because it provides a workable and appropriate path for retirement plan sponsors to meet their fiduciary obligations when choosing an annuity provider.

¹ The Insured Retirement Institute (IRI) is the leading association for the retirement income industry. IRI proudly leads a national consumer coalition of 40 organizations, and is the only association that represents the entire supply chain of insured retirement strategies. IRI members are the major insurers, asset managers, broker-dealers/distributors, and 150,000 financial professionals. As a not-for-profit organization, IRI provides an objective forum for communication and education, and advocates for the sustainable retirement solutions Americans need to help achieve a secure and dignified retirement. Learn more at www.irionline.org.

Under the current rule, plan sponsors must either invest considerable time and resources to learn the technicalities of insurer solvency regulation (time and resources we believe would be better spent growing their own businesses) or simply leave these valuable products out of their plans. This bill would allow plan sponsors to rely on state insurance regulators – the true experts in insurance company solvency – to assess whether a provider will be able to meet its contractual obligations without any noticeable impairment to ERISA’s consumer protections. We are confident this approach will lead more plan sponsors to offer their participants a way to convert their retirement savings into a guaranteed paycheck for life.

It is also important to note the language of this bill is the same language that was included in the Retirement Enhancement and Savings Act (RESA) (Section 204 of S. 3471 – 114th). This bill was adopted in a unanimous vote by the Senate Committee on Finance last year. The tremendous showing of bipartisan support for RESA last year in the Senate, demonstrates a consensus among our elected policy makers, the need to address this issue, by amending the existing rule which currently discourages the offering of lifetime income options those workers who may want to take advantage of the benefits these products offer.

As the Committee considers this legislation we would urge you and your colleagues to adopt this bill and increase access to lifetime income products for American retirement savers. IRI would welcome the opportunity to work with you and your staff to advance the measure. Please feel to contact me or Paul Richman, our Vice President for Government Affairs, at (202) 469-3004, if we can provide additional assistance in helping securing passage of this legislation.

We thank you for your leadership in pursuing this legislation to reduce the barriers to and encourage more employers to offer Americans lifetime income options in workplace retirement plans.

Sincerely,

A handwritten signature in black ink, appearing to read "Catherine Weatherford". The signature is fluid and cursive, with a large loop at the end.

Catherine Weatherford
President & CEO
Insured Retirement Institute