



Insured Retirement Institute

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The Honorable Robert Scott
United States House of Representatives
Chairman
Committee on Education and Labor
2328 Rayburn House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
United States House of Representatives
Ranking Member
Committee on Education and Labor
2462 Rayburn House Office Building
Washington, DC 20515

The Honorable Mark DeSaulnier
United States House of Representatives
Chairman
Subcommittee on Health, Employment, Labor, and Pensions
503 Cannon House Office Building
Washington, DC 20515

The Honorable Rick Allen
United States House of Representatives
Ranking Member
Subcommittee on Health, Employment, Labor, and Pensions
570 Cannon House Office Building
Washington, DC 20515

Dear Chairman Scott, Ranking Member Foxx, Chairman DeSaulnier, and Ranking Member Allen:

The Insured Retirement Institute (IRI)¹ writes to express support for the *Retirement Improvement and Savings Enhancement (RISE) Act* ([H.R. 5891](https://www.congress.gov/bills/116/5891)). The measures contained in this bill will allow workers, retirees, and their families to take another step forward on the path toward financial security in retirement that the *Setting Every Community Up for Retirement Enhancement (SECURE) Act* established following its enactment in 2019. The bill provides common-sense, bipartisan solutions which help to address the challenges and obstacles that continue to inhibit saving for and producing income during retirement.

Recent research has revealed that workers and retirees across America are concerned about their ability to accumulate sufficient savings to provide them with sustainable income during their retirement years. The findings of a National Institute of Retirement Security² study demonstrated the depth of this anxiety. The survey found that more than two-thirds (67 percent) say the nation faces a retirement crisis, and more than half (56 percent) are concerned that they will not achieve a financially secure retirement. The research also found that 51 percent say their concern about their ability to achieve financial security in retirement has increased. Sixty-seven percent say that COVID-19 has changed or is causing them to consider changing their plans about when they will retire, and 65 percent of current workers say it is likely they will have to work past retirement age to have enough money to retire.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks, and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

² "Retirement Insecurity 2021 – American Views of Retirement", National Institute of Retirement Security, February 2021.

Another survey conducted by the Economic Innovation Group³ found 82 percent of voters believe retirement security is a significant problem for our nation. Workers, retirees, and their families are concerned about their ability to accumulate sufficient savings to provide sustainable income to last during their retirement years. This anxiety has significantly grown in the past year with the COVID-19 pandemic's impact on retirees' and workers' physical and financial health.

A recent American Association of Retired Persons (AARP) survey⁴ of voters aged 25-plus showed that more than six in 10 (63 percent) are anxious about whether they will have enough money saved to live comfortably throughout their retirement years. The research found that only three in 10 (29 percent) of voters ages 25 to 44 believe that they will be able to save enough money for retirement. Among voters aged 45-plus who are not yet retired, eight in 10 (81 percent) wish they had saved more money for their retirement years. The AARP survey further found that virtually all voters (99.7 percent) say that it is essential for people to save money for retirement while they are working and almost all of those employed workers (96 percent) say that having a workplace retirement savings plan is important in helping them save for retirement.

Furthermore, a study by Transamerica⁵ showed that the individuals reporting less contributions to their retirement savings can be broken down generationally, with approximately 16 percent being Baby Boomers, 18 percent being Generation Xers, 15 percent being Millennials, and 27 percent identified as Generation Z. A recent study conducted by IRI also found that 66 percent of older Americans aged 40 to 73 do not think they will have enough income to last throughout their retirement, and more than 55 percent have saved less than 10 percent of their income.⁶

The measures proposed in the *RISE Act* will help to address the anxiety and retirement insecurity demonstrated by the research cited above. Specifically, the legislation contains two proposals IRI called for Congress to act on in our [2021 Federal Retirement Security Blueprint](#). IRI highlighted both recommendations in a [statement](#) entered into record during a hearing of the House Committee on Education and Labor on June 23, 2021 entitled "Examining Pathways to Build a Stronger, More Inclusive Retirement System." The policy proposals supported and advocated for by IRI would authorize the formation of multiple employer plans (MEPs) and pooled employer plans (PEPs) for 403(b) plans and the establishment of a national, online retirement savings lost and found. IRI supports these proposals for the reasons outlined below.

Authorize the Formation of 403(b) PEPs

Many 501(c)(3) nonprofits, public educational organizations, and religious institutions face financial and administrative challenges as well as legal risks when seeking to offer employees a retirement benefits such as a 403(b) plan. As a result, many do not offer a retirement plan to their employees. A recent survey conducted by Transamerica, "Navigating the Pandemic: A Survey of U.S. Employers⁷," found that 48 percent of employers do not offer a 401(k) or similar retirement plan, and 63 percent of those employers said they are not too likely or not likely at all to start a plan within the next two years. However, the survey did find that 65 percent of employers feel a sense of responsibility in trying to help their employees achieve a financially secure retirement and nearly three-quarters believe that offering retirement benefits is essential for attracting and retaining employees. Concerns about plan costs remain a top reason why employers do not offer a plan.

To help address the need to encourage more employers – particularly nonprofit, public educational, and religious organization employers – to offer retirement plans for their employees, the *RISE Act 2021* would authorize 403(b) PEPs to be offered in the same manner as PEPs were authorized for other small business employers to use via the SECURE Act. By doing so, the burdens and administration challenges that currently discourage these organizations from offering retirement plans would be relieved. They would now also be able to achieve the same economies of scale and delegate responsibility for sponsoring the plan to a professional plan fiduciary as other small businesses.

³ The "[Retirement Security and Wealth Attitudes: National Voter Survey](#)", Economic Innovation Group, June 2021.

⁴ "[Saving For Retirement at Work: Views of Voters Ages 25+](#)", AARP, October 2021.

⁵ "[Retirement Security Amid COVID-19: The Outlook of Three Generations](#)", 20th Annual Transamerica Retirement Survey of Workers, May 2020.

⁶ "[Retirement Readiness Among Older Workers 2021](#)", Insured Retirement Institute, March 2021.

⁷ "[Navigating the Pandemic: A Survey of U.S. Employers](#)", Transamerica Institute, June 2021.

Establish a National, Online, Lost and Found for Retirement Accounts

Over the past decade, 25 million workplace retirement plan participants changed jobs and left behind a retirement savings plan. Millions more have left two or more accounts. With workers changing jobs more frequently – the U.S. Bureau of Labor Statistics found that the average employee tenure in 2020 for private-sector workers was 3.7 years, a drop from 4 years in 2019 – they are leaving behind thousands of dollars in employer-sponsored retirement savings accounts. According to the Government Accountability Office, this has resulted in \$8.5 billion sitting in lost retirement accounts between 2004 and 2013.⁸

The *RISE Act of 2021* would establish a national, digital database utilizing information already provided to the Department of Labor for retirement savers to locate their former employer-sponsored retirement savings accounts to ensure they are not leaving retirement savings behind. Creating this one-stop-shop database will help workers track their past and possibly forgotten workplace retirement accounts. It will also potentially provide them with additional opportunities to either establish or rollover their found savings into a new or current retirement savings account, thereby increasing their retirement savings.

IRI has historically supported and advocated for enacting bipartisan, common-sense solutions to help ensure Americans can achieve a financially secure and dignified retirement. For the reasons cited above, IRI is proud to state our support for the *RISE Act* as its enactment will help America's workers, retirees, and their families build economic equity and strengthen their financial security. It will offer those workers and retirees common-sense ways to expand their opportunities to save for retirement, create new tools and resources needed to locate “lost” employer-sponsored retirement accounts, and provide workers and retirees a chance to overcome the obstacles they face in pursuit of saving and preparing for a financially secure retirement.

We urge you, your colleagues on the House Committee on Education and Labor, and Congress to quickly advance this legislation for enactment into law.

We thank you for your leadership in pursuing this legislation. As the U.S. House of Representatives considers this legislation, IRI welcomes the opportunity to work with you and your staff to advance the measures contained in the bill. If you have any questions, please do not hesitate to contact me or Paul Richman, Chief Government and Political Affairs Officer, at (202) 469-3004 or prichman@irionline.org, or John Jennings, Assistant Director of Government Affairs at (202) 469-3017 or jjennings@irionline.org.

Sincerely,



Wayne Chopus
President and CEO
Insured Retirement Institute

cc: Members of the House Committee on Education and Labor

⁸ [“401\(k\) Plans: Greater Protections Needed for Forced Transfers and Inactive Accounts”](#), GAO, November 2014.