

Letter of Support for the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 & the Retirement Security for American Workers Act

April 1, 2019

The Honorable Richard Neal
2309 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
1101 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Kind
1502 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Kelly
1707 Longworth House Office Building
Washington, DC 20515

The Honorable Vern Buchanan
2427 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Neal, Ranking Member Brady, Representative Kind, Representative Kelly, and Representative Buchanan:

On behalf of over 25,000 members of the American Retirement Association, we hereby express our strong support for the *Setting Every Community up for Retirement Enhancement (SECURE) Act of 2019 and the inclusion of the Retirement Security for American Workers Act in the SECURE Act*. We commend all of you for championing these important pieces of bipartisan legislation.

The American Retirement Association is a non-profit professional organization comprised of five premier retirement industry associations - the American Society of Pension Professionals & Actuaries (ASPPA), the ASPPA College of Pension Actuaries (ACOPA), the National Association of Plan Advisors (NAPA), the National Tax-deferred Savings Association (NTSA) and the Plan Sponsor Council of America (PSCA). While our members come from all corners of the country – representing every part of the industry and stakeholder community – they are all united by their belief in, and commitment to, the private employer-sponsored retirement plan system.

The *Setting Every Community Up for Retirement Enhancement (SECURE) Act* includes several provisions that, when taken together, will make it easier for small businesses to adopt and maintain a workplace-based retirement savings plan. The *SECURE Act* increases the incentives for small business owners to offer a qualified retirement plan by significantly increasing the tax credit available to small employers who adopt a new plan. Further, it adds a new credit to encourage plan designs that automatically enroll workers into plans with the ability to opt-out,

a practice proven to be successful to increase plan participation. The *SECURE Act* allows business owners the proper time to decide whether to adopt a qualified retirement plan by extending the deadline up until the due date of their tax return since it is only then when those decision makers know their true financial situation. The *SECURE Act* gives plan sponsors increased flexibility to choose an administratively streamlined 401(k) safe harbor plan with generous employer contributions for rank and file workers. All these provisions are sorely needed because small business owners face real challenges when deciding to provide retirement benefits for their workers and these new policies will help business owners make that critical decision with more certainty, clarity, and confidence.

The Retirement Security for American Workers Act allows two or more unrelated private employers to join a pooled employer retirement plan. Importantly, this bill requires the provider of such an arrangement to take responsibility for the proper operation of the plan. The clear lines of responsibility prescribed in *the Retirement Security for American Workers Act* give adopting employers – many of which could be small business owners – more security. Additionally, the provision eases adopting employers' worries about the actions of one participating employer disqualifying the plan for all the other employers. Importantly, the provision also allows retirement plan providers to offer a payroll deduction IRA program with automatic enrollment through a pooled employer plan to small business owners. Pooling unrelated employers together into one plan creates an economy of scale that lowers both employer and plan participant cost.

The American Retirement Association applauds your leadership as strong advocates for sensible policies that increase access, coverage, and participation in workplace-based retirement savings plans. The *SECURE Act* and *the Retirement Security for American Workers Act* embody these principles and we stand ready to work with all of you to see these vital pieces of legislation enacted into law.

Sincerely,



Brian H. Graff, Esq., APM
Executive Director/CEO
American Retirement Association

