

May 19, 2021

The Honorable Chuck Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, DC 20510

The Honorable Maggie Hassan  
United States Senate  
324 Hart Senate Office Building  
Washington, DC 20510

The Honorable James Lankford  
United States Senate  
316 Hart Senate Office Building  
Washington, DC 20510

**Re: Letter of Support for the *Improving Access to Retirement Savings Act***

Dear Senators Grassley, Hassan, and Lankford:

On behalf of the more than 30,000 members of the American Retirement Association (ARA), we hereby express our strong support for the *Improving Access to Retirement Savings Act*.

The ARA is the coordinating entity for its five underlying affiliate organizations representing the full spectrum of America's private retirement system – the American Society of Enrolled Actuaries (ASEA), the American Society of Pension Professionals and Actuaries (ASPPA), the National Association of Plan Advisors (NAPA), the National Tax-Deferred Savings Association (NTSA), and the Plan Sponsor Council of America (PSCA). The ARA's members include organizations of all sizes and industries across the nation who sponsor and/or support retirement saving plans and are dedicated to expanding on the success of employer-sponsored plans. The ARA and its underlying affiliate organizations are diverse but united in their common dedication to the success of America's private retirement system.

Our members help American workers bolster their retirement security by facilitating well-designed workplace-based retirement savings plans. For most Americans, the key to a successful retirement is having access to a workplace savings program. Workers earning between \$30,000 and \$50,000 are 12 times more likely to participate in a defined contribution plan when it is offered to them at work than if they save on their own in an IRA<sup>1</sup>. We recognize that, despite our best efforts, far too many Americans lack access to a retirement plan at work.

Fortunately, under your leadership, Congress is taking concrete action to address this retirement plan coverage gap, starting with this retirement savings legislation. Your bill, the *Improving Access to Retirement Savings Act* includes key provisions that does what the title of the legislation suggests.

The *Improving Access to Retirement Savings Act* contains several policy items championed by the American Retirement Association. The first item, which is a welcome addition to the most recent version of the bill, gives employers more time to adopt beneficial discretionary retirement plan amendments up until the due date of the employer's tax return. This new deadline to adopt a beneficial discretionary amendment is consistent with the deadline to adopt a new retirement plan that was provided for in the *Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019*. This provision gives employers with existing retirement plans the flexibility to make their 401(k) plans more generous to rank and files workers after the end of the year.

Two provisions address issues with respect to multiple employer plans (MEPs), building upon the improvements made to these arrangements in the *SECURE Act*. The first provision would allow 403(b) plans generally sponsored by charities and public educational organizations, to participate in MEPs. This

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<sup>1</sup>Vanguard, *How American Saves 2018* (DC plan participation); Employee Benefits Research Institute (EBRI) estimate based on 2014 IRS SOI tabulation (IRA-only participation)

provision includes important language requiring the Department of Treasury and the Department of Labor to educate non-profit plan sponsors on their fiduciary obligations. The second provision would allow employers who wish to join an existing MEP to receive the small employer pension plan startup credit. These provisions would improve access to high-quality low-cost retirement plans for the benefit of rank-and-file workers.

The third provision encourages retirement plan sponsors to adopt automatic enrollment and automatic escalation features that improve coverage by creating a safe harbor for corrections of enrollment failures. Under current law, businesses that adopt automated features could be subject to significant penalties even if honest mistakes are made, a key reason why many small businesses are hesitant to adopt these features in their retirement plan. The legislation would ease that concern by allowing a grace period to correct, without penalty, reasonable errors in administering automatic enrollment and automatic escalation features.

The American Retirement Association thanks Senators Grassley, Hassan, and Lankford for introducing this important piece of legislation. We urge Congress to promptly enact this good bill into law.

Sincerely,

A handwritten signature in black ink, appearing to read "B.H. Graff".

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