

March 28, 2022

The Honorable Richard Neal
Chairman
Ways & Means Committee
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Chairman
Education & Labor Committee
United States House of Representatives
1176 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Ways & Means Committee
United States House of Representatives
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Education & Labor Committee
United States House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Re: Letter of Support for the *Securing a Strong Retirement Act of 2022*

Dear Chairman Neal, Ranking Member Brady, Chairman Scott, and Ranking Member Foxx:

On behalf of the over 30,000 members of the American Retirement Association (ARA), we hereby express our support for the *Securing a Strong Retirement Act of 2022*. We commend you for championing this important piece of bipartisan retirement legislation.

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.

The *Securing a Strong Retirement Act of 2022 (SSRA)* builds upon the success of the *Setting Every Community Up for Retirement Enhancement (SECURE) Act* to make it even easier for small businesses to adopt and maintain a workplace-based retirement savings plan. The SSRA further increases the small employer pension plan start-up credit to cover 100% of the cost to small employers to implement a 401(k) plan for the first three years. The SSRA creates an additional new credit to encourage small employers to make direct contributions to their 401(k) plan for their employees, offsetting up to \$1,000 of these employer contributions for each participating employee.

The SSRA contains several policy items championed by the American Retirement Association. The first item 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 SECURE Act. 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. The second item

corrects and modernizes the outdated and unfair family attribution rules to ensure women business owners are not penalized if they happen to have minor children or live in a community property state. A third item would broaden the scope of the SECURE Act's pooled employer plan or open multiple employer plan provisions to allow unrelated public education and other non-profit employers to join a single 403(b) plan.

The SSRA also creates a retirement plan matching program to encourage employees to pay off student loans. The latest version of this program addresses a problem that ARA identified about the impact this new retirement plan design feature could have with the special test that applies to 401(k) plans called the average deferral percentage (ADP) test. Since that problem has been fixed in this bill, small businesses will now not have to worry that this benefit puts their retirement plan testing at risk.

While the SSRA has many good provisions, it is not perfect. The ARA remains concerned about the provision in the bill (Section 314) that would require at least one participant benefit statement be mailed in a paper format given the impact on the environment as well as plan and participant costs. ARA supports the provision that would direct the Department of Labor, Treasury, and the Pension Benefit Guaranty Corporation to issue a report recommending ways to consolidate, simplify, standardize, and improve the various retirement plan disclosure requirements. The ARA will continue to work with Congress on ways to ensure retirement plan participants are effectively accessing the required disclosures.

But on balance the *Securing a Strong Retirement Act of 2022* builds upon the success of the workplace-based retirement system and is yet another example of the extensive history of bipartisan legislating in this critical policy area. The ARA thanks Chairman Neal, Ranking Member Brady, Chairman Scott, and Ranking Member Foxx for your hard work and results to improve and enhance the retirement savings of the American workforce and would urge Congress to enact this bill into law.

Sincerely,



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