AMERICAN RETIREMENT ASSOCIATION
Working for America's Retirement

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March 30, 2015

The Honorable Tobias Read
Representative, District 27 – Beaverton
900 Court Street NE, H-286
Salem, Oregon 97301

Re: House Bill 2960 – Oregon Retirement Savings Plan

Dear Representative Read:

On behalf of the American Retirement Association (ARA), I write you to express our support for your House Bill 2960, with two modest changes noted below. This legislation would create an Oregon Retirement Savings Board in the office of the State Treasurer tasked with developing a Retirement Savings Plan for working Oregonians.

The ARA is an organization representing more than 20,000 retirement plan professionals nationwide, including over 300 in Oregon. Our members provide consulting and administrative services for retirement plans covering tens of millions of American workers. The ARA has consistently and actively supported proposals to expand retirement plan coverage in the private workforce. This has included support of state based automatic enrollment IRA proposals that require employers to offer payroll deduction savings at work through private sector providers, such as the type of arrangement described in House Bill 2960.

The key to a successful retirement for the citizens of Oregon is having a retirement plan at work. Data from the Employee Benefits Research Institute shows that over 70% of workers earning between $30,000 and $50,000 that have access to a workplace plan participate whereas less than 5% of those same workers will save on their own in an IRA.

Involvement from the private sector is critical for the success of this initiative. House Bill 2960 should be amended to encourage private sector involvement by including information on alternative retirement plans, and private sector providers that are offering alternative arrangements, in the Board's outreach plan. This information will enable Oregonian employers to easily identify and access high-quality retirement products so that they can fulfill the requirement in House Bill 2960. This outreach could be privately funded so there will be no cost to the taxpayer.

A second critical modification would be to make explicit the types of private retirement options that businesses can use in order to fulfill the requirement of offering a workplace retirement savings plan. We appreciate that the bill was amended to clarify that businesses can adopt qualified retirement plans to fulfill the requirement. However, employers should also be allowed to satisfy the requirement through offering a payroll deduction IRA through a private provider.

The ARA commends you for addressing this critical issue. With the modifications described above, the ARA will strongly support House Bill 2960 as it moves through the legislative process. We stand ready to work with you to ensure that the goal of expanding the availability of workplace retirement savings is met for working Oregonians.

Sincerely,

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