

March 27, 2017

**RE: Oppose H.J. Res 66 & H.J. Res 67 and S.J. Res 32 & S.J. Res 33**

Dear Senator,

On February 15th, the House of Representatives passed H.J. Res. 66 & H. J. Res. 67, resolutions that would repeal Department of Labor (DOL) regulations that make it easier for states and certain cities or counties to establish their own state-run automatic retirement savings programs. Following this, in early March the Senate introduced S.J. Res 32 & S.J. Res 33, companion legislation that would do the same thing. **We are writing to respectfully urge you to vote “No” on all of these resolutions when the vote reaches the Senate.**

More than half the workforce in this country – or 55 million workers – do not have employer-sponsored retirement plans, meaning tens of millions of people have little or no money set aside for their retirement. In some states, as little as [38 percent](#) of the workforce participates in an employer-based retirement savings plan. While uncovered individuals could set up their own IRA, the fact is that very few save outside of a workplace payroll withholding program. That so many people could experience financial instability after working for years is very troubling and poses long-term fiscal challenges for our nation.

Federal efforts to address this huge gap in coverage have fallen short, and this inaction has inspired states to develop their own innovative solutions to protecting the retirement security of uncovered workers, including millions of low-income households. One of the most promising developments are state-run automatic enrollment programs. [Research](#) has shown that automatic enrollment has the potential to raise participation rates above 90%, while at the same time, remaining fully voluntary for workers.

Five states (California, Oregon, Illinois, Connecticut and Maryland) are poised to implement their own innovative solutions to closing the retirement gap and could soon cover as many as [13 million workers](#). Many more states are considering similar plans, along with other forms of state-facilitated programs.

Opposition to these programs include an argument that consumer safety is compromised because the regulations in question offer an exemption from the Employee Retirement Income Security Act (ERISA). The regulations purposefully clarify the existence of the so-called “safe harbor”, however, state-sponsored programs do not get rid of these responsibilities, but rather shift them to the programs themselves. The regulations therefore preserve accountability and ensure consumer safety, while alleviating the burdens that keep small businesses from offering retirement benefits. Not surprisingly, small businesses are [highly supportive](#) of these programs.

It is also important to recognize that other programs have shown it is possible to operate safe, cost-friendly state-sponsored savings programs that have strong bipartisan support. For example, state-sponsored individual savings accounts for college – or 529 plans – serve as the model for state-

sponsored retirement programs, and are safe, low-cost, and very popular with the public as well as politicians on both sides of the aisle.

If these resolutions pass, it will slow down the development of these simple programs, making it much harder for small businesses to offer a retirement vehicle to the millions of their workers that would benefit from a secure, safe and stable retirement, endangering their long-term well-being and putting greater burden on the cities, counties, and states in which they live. As currently designed, the plans being implemented by the states will be financially self-sustaining—requiring no on-going taxpayer dollars and no employer contributions. Passing them would also render the Department of Labor unable to make policy adjustments to support small businesses and states as they work to help their employees build savings. Passing the resolutions would run counter to the desires of small business owners, 86 percent of whom support such plans.

With all of this in mind, we respectfully urge you to vote against H.J. Res 66 and H.J. Res 67, as well as S.J. Res 32 and S.J. Res 33. State-sponsored programs are critical innovations that have the potential to ensure the financial security of millions. Protect the ability of states to come up with their own solutions to look after the financial well-being of their workers by voting “No” on these resolutions.

We are happy to provide additional information or answer any questions. Thank you for your support.

Sincerely,

CFED  
Family Centered Social Policy Program, New America

A Call to College  
American Federation of State, County and Municipal Employees  
The Aspen Institute Financial Security Program  
Asset Building Strategies  
California Alliance for Retired Americans  
California Reinvestment Coalition  
CAMEO - California Association for Micro Enterprise Opportunity  
CASA of Oregon  
Center for Financial Services Innovation  
Center for Social Development, Washington University in St Louis  
Center for Transforming Lives  
CEO Pipe Organs/Golden Ponds Farm  
Colorado Fiscal Institute  
Community Financial Resources  
Dallas Women's Foundation  
EARN  
Economic Opportunity Institute  
Economic Policy Institute Policy Center

Economic Progress Institute (RI)  
Essex County College Adjunct Faculty Federation  
The Hawaii Appleseed Center for Law and Economic Justice  
Hawaiian Community Assets  
Heartland Alliance for Human Needs & Human Rights  
Illinois Asset Building Group  
In the Public Interest  
Institute for Science and Human Values  
Irving Cares  
Kentucky Center for Economic Policy  
MDK Consulting Group  
National Employment Law Project  
NCFL/AFGE  
NCPERS  
The New School  
New Ventures Maine  
The North Dakota Economic Security and Prosperity Alliance  
Occupy Hingham  
OnTrack Financial Education & Counseling  
OWL-The Voice of Women 40+  
Pander City Productions  
Pension Rights Center  
PolicyLink  
Policy Matters Ohio  
Prosperity Indiana  
RAISE Texas  
RESULTS  
San Francisco Office of Financial Empowerment  
Sargeant Shriver National Center on Poverty Law  
Service Employees International Union  
Thistle  
United Way of York County  
United Ways of California  
The Weathers Group  
Woodstock Institute