



AMERICAN BENEFITS
COUNCIL

January 25, 2016
NR 2016-2

NEWS RELEASE

For additional information:
Jason Hammersla, 202-289-6700

Council urges Senate Finance Committee to build on success of employer-sponsored retirement system

WASHINGTON, DC – “Hardworking Americans deserve a retirement savings system that will help them achieve personal health and financial well-being in retirement. The current employer-sponsored system has served American workers well and will continue to do so through thoughtful tax policy,” said Lynn Dudley, American Benefits Council senior vice president, global retirement and compensation policy, on the subject of today’s Senate Finance Committee hearing, [Helping Americans Prepare for Retirement: Increasing Access, Participation and Coverage in Retirement Savings Plans](#).

The Council has submitted an official statement for the hearing record, describing the successes of the employer-sponsored system and the numerous opportunities to expand access and improve outcomes for employees.

The Council cited numerous recommendations from the Council’s latest public policy strategic plan, [A 2020 Vision](#):

- Increase the compensation and contribution thresholds for retirement plans and index the limits to ensure they keep pace with inflation.
- Increase catch-up contribution limits and lower eligibility to age 45.
- Reduce or combine the number of retirement plan information disclosure requirements.
- Establish an alternative automatic escalation safe harbor for retirement plans.
- Support voluntary, simple, portable model plans for retirement income or retiree health coverage.
- Improve opportunities for small business to maintain retirement plans, through arrangements like open multiple employer plans (MEPs)
- Increase public awareness of the financial risks associated with increased longevity.

- Enable employers to better provide financial education and investment advice.
- Exclude current retirement plan assets and future retirement plan benefits from eligibility calculations for state or federal housing and food subsidies.

The Council also identified three additional recommendations that are particularly timely:

- Ensure that the state and local retirement plan proposals do not undermine employer-based plans.
- Establish fiduciary safe harbors and outsourcing rules for plan sponsors.
- Prevent acceleration in the decline in the defined benefit system.

“Voluntary, employer-sponsored defined contribution and defined benefit retirement plans are the foundation of our nation’s retirement system. Workplace retirement plans, like those sponsored and administered by the Council’s members, successfully assist tens of millions of families in accumulating retirement savings,” Dudley said. “We strongly support legislation, such as the Secure Annuities for Employee (SAFE) Retirement Act, introduced in the previous Congress by Chairman Orrin Hatch (R-UT), that builds on the employer-sponsored system.”

For more information on retirement policy issues, or to arrange an interview with Lynn Dudley, please contact Jason Hammersla, Council senior director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (mobile).

###

The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council’s members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.