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Council offers proposals to promote lifetime participation in employer retirement plans

WASHINGTON, D.C. – In [testimony before the U.S. Department of Labor’s ERISA Advisory Council today](#), the American Benefits Council identified potential solutions to the persistent challenges surrounding lifetime participation in employer-sponsored retirement savings plans.

Allison Klausner, a principal at Xerox HR Services and government relations leader for the company’s Knowledge Resource Center, told the panel, “with longer and healthier life expectancies, more Americans may be at greater risk for outliving their retirement savings.” Klausner added that workers and retirees need “simple tools that allow them to keep assets on course for their ultimate use as retirement income. One such tool is the ability to use lifetime plan participation when it makes sense.”

Specifically, the Council suggested that DOL:

- Provide further guidance on the recently finalized fiduciary rule to clarify the exception for plan sponsor employees, such as human resources staff.
- Create a stronger safe harbor (or other incentives) for employers to facilitate rollovers without a current Internal Revenue Service determination letter or other formal certification.
- Encourage 401(k) plan sponsorship, including “open multiple employer plans (MEPs),” rather than state-run automatic IRA savings programs.

The Council's public policy strategic plan, [A 2020 Vision: Flexibility and the Future of Employee Benefits](#), recommends that Congress eliminate barriers to open MEPs, in which small networks of unrelated employers can team up to sponsor a single retirement plan and take advantage of economies of scale enjoyed by larger employers.

"Any solutions should be designed with flexibility and be structured to encourage the voluntary participation of employers, employees and retirees in the employer-sponsored defined contribution plan system," Klausner said.

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