



December 15, 2025

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives
327 Cannon House Office Building
Washington, DC 20515

Dear Ranking Member Neal:

The Insured Retirement Institute (IRI)¹ writes to express support for the *Automatic IRA Act of 2025*. The bill would greatly expand the opportunity for America's workers to save for retirement by requiring that employers with ten or more employees offer and maintain a retirement plan into which the employees would be automatically enrolled while retaining the ability to opt-out.

The bill will also make employer-sponsored retirement plans available to individuals who provide services to the employer that do not constitute employment. Further, the bill would significantly reduce the anxiety many workers and retirees experience about outliving their savings by requiring plans to offer lifetime income solutions as a distribution option. The measures align with long standing IRI policy priorities to expand opportunities for retirement saving and promote broader access to guaranteed, protected lifetime income solutions.²

Expanding Access to Workplace Retirement Savings Plans

Workers across the United States are not saving enough for retirement. For many, this results from a lack of access to employer-sponsored retirement plans. Among those hit hardest by a lack of access to workplace retirement savings plans are the 46.4 percent of our nation's workers employed by small businesses.³ Of those employed at small businesses (50 or fewer employees), 63 percent do not have access to workplace plans.⁴ Further, of those workers lacking access to employer-sponsored retirement plans, 64 percent are Latino, 53 percent are Black, and 45 percent are Asian⁵—making it more difficult for those workers to accumulate savings and build generational wealth.

By requiring businesses with 10 or more employees to offer their employees a workplace retirement savings plan, either in the form of an individual retirement account (IRA) or a retirement plan – such as a 401(k), 403(b), or SIMPLE IRA – Congress will take another step toward addressing the challenges America's workers face during their working years to build a nest-egg so that they may enjoy a secure and dignified retirement.

A study⁶ found that if the *Automatic IRA Act* were to become law, it could generate an additional \$7 trillion in retirement savings. This would create sixty-two million new retirement savers over ten years, including 10.8 million new Latino savers and seven million new Black savers. Importantly, 98% of these new savers earn less than \$100,000 annually, demonstrating the Act's potential to significantly boost retirement savings for a wide range of workers.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

² Insured Retirement Institute, [2025 Federal Retirement Security Blueprint](#), March 2025.

³ "Frequently Asked Questions About Small Business, 2023." U.S. Small Business Administration, March 2023.

⁴ "Who Lacks Access to Retirement Savings?", Georgetown University Center for Retirement Initiatives. March 2025.

⁵ "Payroll Deduction Retirement Programs Build Economic Security", AARP Public Policy Institute, July 2022.

⁶ American Retirement Association, ["Letter of Support Retirement Subtitle Build Back Better Act"](#), Page 2, Footnote #s 3-5, September 2021.

The SECURE Act and the SECURE 2.0 Act Provide a Strong Foundation to Support Implementation for Employers

The *Automatic IRA Act of 2025* builds on and uses measures included in the bipartisan SECURE Act of 2020⁷ and the *SECURE 2.0 Act of 2022*⁸ to further strengthen and enhance retirement security. These laws are helping to ease workers' anxiety about their financial security during their retirement years. Most importantly, several measures included in the laws will make the implementation of the Automatic IRA Act easier, simpler, and less costly for small businesses, providing a strong foundation for the proposed legislation.

- The *SECURE Act of 2020* authorized pooled employer plans (PEPs), which reduce the administrative cost of plan sponsorship and produce economies of scale for the small business employers that participate. Employers who choose a PEP are also eligible for up to \$15,000 in tax credits for the first three years of participation – further reducing administrative costs.
- The *SECURE 2.0 Act of 2022* expanded the retirement plan start-up tax credit to cover 100 percent of the expenses for businesses with fewer than fifty employees. The *SECURE 2.0 Act* also established a tax credit for employers who must provide automatic enrollment as a feature of their employees' retirement plans.

All these measures have been enacted into law, and they will help to make it easier and simpler for small businesses to comply with the minimal additional requirement the *Automatic IRA Act of 2025* would establish for small business employers.

Making Lifetime Income Products More Readily Available

In addition to requiring employers to offer a workplace- sponsored retirement plan, the *Automatic IRA Act of 2025* will also require that such plans include a feature requiring participants with vested account balances of \$200,000, or more be offered the option to receive at least 50 percent of their vested account balance in the form of a guaranteed, protected lifetime income solution.

Requiring the plan to offer a distribution option in the form of a guaranteed, protected lifetime income solution will be a significant step to address plan participants' anxiety about outliving their savings during their retirement years. It will expand opportunities for workers to obtain the longevity protection they seek to ensure they do not outlive their savings by providing them with a guaranteed monthly income to sustain them throughout their retirement years. Moreover, it will create opportunities for defined contribution plan participants to obtain the benefits of a more traditional pension that many retirees desire.

It is clear from recent research that an overwhelming majority of workers want to have retirement plans offer them products that will provide protected, guaranteed income for life among their distribution options, and that more retirement plans are ready to provide in-plan lifetime income solutions via products that are already readily available.

- Seventy percent of workers aged 40-45 say they are very or somewhat likely to allocate a portion of their retirement plan assets into lifetime income solutions.⁹
- Eighty-seven percent believe it is important that the income generated from their retirement savings is protected for life.¹⁰

⁷ The *Setting Every Community Up for Retirement Enhancement Act of 2020* ([Public Law No. 116-34, Div. O](#)).

⁸ The *SECURE 2.0 Act of 2022* ([Public Law No. 117-328, Div. T](#)).

⁹ “[Retirement Readiness Among Older Workers 2021](#)”, Insured Retirement Institute, September 2021.

¹⁰ *Ibid.*

- Nearly seventy percent of non-retired workers aged 40 to 80, with at least \$100,000 in savings, would be "very" or "somewhat" likely to choose an in-plan annuity if it were offered in their workplace retirement plan.¹¹
- Nearly seventy percent of adults find it appealing if retirement plans have default investment options that include annuities or other lifetime income products.¹²
- Seventy percent of participants in employer-sponsored retirement plans would consider adding an annuity if the option were available.¹³

Shoring Up Benefits for Gig Workers

Another benefit of the bill is expanding opportunities for the 73.3 million¹⁴ gig economy workers in the United States. The bill directs the Secretary of the Treasury, through regulations or guidance, to make available the employer-sponsored retirement plans offered to their employees to individuals who provide services to an employer that do not constitute employment. Providing gig workers with access to retirement savings will help strengthen and enhance their opportunities to achieve long-term financial security.

Summation

IRI is proud to reiterate its support for the *Automatic IRA Act of 2025*. The bill will expand retirement savings opportunities for workers, particularly those employed by small businesses, by enabling greater access to workplace retirement plans. It will expand access to protected, guaranteed lifetime income solutions, ensuring retirees have a reliable source of income to sustain them throughout retirement and thereby strengthen their long-term retirement security.

IRI thanks you for your dedicated leadership in advancing this solution to help more of America's workers achieve a financially secure retirement. We welcome the opportunity to continue working with you and your staff to advance the *Automatic IRA Act of 2025*.

If you have any questions or would like additional information, please contact Paul Richman, Chief Government and Political Affairs Officer at prichman@irionline.org or (202) 469-3004, or John Jennings, Director of Government and Political Affairs, at jjennings@irionline.org or (202) 469-3017.

Sincerely,



Wayne Chopus
President and CEO
Insured Retirement Institute



Paul Richman
Chief Government & Political Affairs Officer
Insured Retirement Institute

¹¹ "In-Plan Annuities Are Gaining Momentum in the Workplace, Are They Poised to Be the Next Big Thing? Maybe," LIMRA, May 2024.

¹² "2025 EBRI/Greenwald Retirement Confidence Survey", EBRI, April 2025.

¹³ "Retirement Plan Participants Seek Lifetime Income and Guidance", Allianz Center for the Future of Retirement, April 2025.

¹⁴ "The State of Gig Work in 2021", Pew Research Center, December 2021.