



Insured Retirement Institute

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April 26, 2021

The Honorable Michael Bennet
The United States Senate
261 Russell Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
The United States Senate
413 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maggie Hassan
The United States Senate
324 Hart Senate Office Building
Washington, DC 20515

The Honorable James Lankford
The United States Senate
316 Hart Senate Office Building
Washington, DC 20515

Dear Senators Bennet, Collins, Hassan, and Lankford:

The Insured Retirement Institute (IRI)¹ writes to express support for the *Military Spouses Retirement Security Act of 2021*. The bill would encourage small business employers to provide military spouses who frequently are required to change their duty stations² with an opportunity to participate in a workplace retirement plan by offering a tax credit to employers who enroll military spouses in a retirement plan within two months of hiring. The legislation would also increase military spouses' savings rate by requiring that they be made eligible for any matching or non-elective contributions like those available to employees with two or more years of employment.

IRI has long-supported increasing access to employer-sponsored retirement plans for both full and part time workers, because having access to participate in a workplace plan will help workers have a financially secure retirement. This is particularly important for military spouses who are required to move from post to post when their duty stations change and with those relocations, they also change jobs, making it more challenging for a military spouse to participate in a workplace plan and accumulate savings for retirement. Encouraging employers to offer military spouses' access to an employer-sponsored retirement savings

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks, and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, 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["Fewer non-deployable Soldiers, less-frequent PCS moves a goal", Army News Service, David Vergun, February 8, 2018.](#)

account will go a long way towards helping ensure military spouses are provided with more opportunities to build a retirement nest-egg.

Further compounding the problems associated with frequent changes in duty stations and retirement preparedness of military spouses is the fact that 92 percent of military spouses are women.³ Due to a confluence of a number of factors – wage disparity, time out of the workforce, competing priorities – women’s retirement account balances are on the aggregate more than 50 percent smaller than their male counterparts.⁴ This is not surprising, considering that an IRI report found that, on average, women make 21 percent less than men do for comparable work.⁵ Providing military spouses with employer matching and other non-elective contributions which were previously only available to employees with a longer tenure will serve to increase the account balances for military spouses who are saving for their retirement.

Although the *Military Spouses Retirement Security Act* addresses a significant problem affecting those who serve our nation in the armed forces and their family members who are seeking a secure and dignified retirement, IRI has identified another retirement issue that poses a challenge for servicemembers’ retirement security. In [IRI’s 2021 Federal Retirement Security Blueprint](#), we called for Congress to address an issue created by recent changes to the Department of Defense (DOD) retirement system which resulted in a reduced amount of guaranteed retirement pay for members of the ready reserves. In return for the reduction, the DOD agreed to establish individual retirement accounts for members of the reserves. However, for this new system to work, an individual would need to make the maximum contribution into the DOD-sponsored IRA, but if the individual already contributes to an employer-sponsored IRA, they would only be able to contribute the maximum amount allowed by law into one of their IRAs. Therefore, they only can maximize their retirement contributions to one but not both of their IRA accounts.

As you seek to advance the *Military Spouses Retirement Security Act* towards enactment, we respectfully request your consideration of amending the bill to add a measure, similar to the *Servicemember Retirement Improvement Act* ([H.R. 905 – 116th Congress](#)), in your bill. The *Servicemember Retirement Improvement Act* offers a common-sense solution to fix the problem created by current law and allow members of the ready reserves to contribute the maximum amount allowable under the law to both their employer- and DOD-IRAs. By including the *Servicemember Retirement Improvement Act*, you would also help expand access to and accumulation of retirement savings for members of the ready reserves of the military.

IRI has historically supported and advocated for the enactment of bipartisan, common-sense solutions to help ensure Americans are able to achieve a financially secure and dignified retirement. For that reasons, we also included a call for the enactment of the *Military Spouses Retirement Security Act* in our 2021 Federal Retirement Security Blueprint. As Congress considers this legislation to enable greater access to retirement savings for Americans, we welcome the opportunity to work with you and your staff to advance this measure along with the *Servicemember Retirement Improvement Act*.

³ *Ibid.*

⁴ “Women Versus Men in DC Plans”, [Vanguard, January 2019](#).

⁵ “Women’s Perspectives on Saving, Investing, and Retirement Planning”, [Insured Retirement Institute, November 2015](#).

We thank you for your leadership in pursuing this legislation. If you have any questions, please do not hesitate to contact me at (202) 469-3004 or prichman@irionline.org, or John Jennings, Assistant Director of Government Affairs at (202) 469-3017 or jjennings@irionline.org.

Sincerely,

A handwritten signature in cursive script that reads "Paul J. Richman".

Paul Richman
Chief Government and Political Affairs Officer
Insured Retirement Institute