



Insured Retirement Institute

1100 Vermont Avenue, NW | 10th Floor
Washington, DC 20005

t | 202.469.3000

f | 202.469.3030

www.IRionline.org

www.myIRionline.org

March 31, 2021

The Honorable Ed Perlmutter
United States House of Representatives
1226 Longworth House Office Building
Washington, DC 20515

The Honorable Steve Stivers
United States House of Representatives
2234 Rayburn House Office Building
Washington, DC 20515

The Honorable Nydia Velazquez
United States House of Representatives
2302 Rayburn House Office Building
Washington, DC 20515

The Honorable Warren Davidson
United States House of Representatives
2113 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Perlmutter, Stivers, Velazquez, and Davidson:

The Insured Retirement Institute (IRI)¹ writes to express our support for H.R. 1996, the *Secure and Fair Enforcement (SAFE) Banking Act of 2021*. The bill would provide protection and insulation from liability for both participants and institutions offering and administering retirement plans or individual retirement accounts for the employees of cannabis companies and associated businesses regulated and licensed by a state.

Nearly all the states have enacted laws which have either legalized or decriminalized marijuana for medical and recreational use by individuals. As states continue to legalize cannabis and license and regulate associated industries, projections estimate the legal cannabis industry will reach a value of \$100 billion by 2030, a 63.9 percent increase over its 2020 estimated worth.² With this projected financial growth, consequently the number of Americans employed in this field is also anticipated to rapidly increase. In their Jobs Report 2021, Leafy found that the legal marijuana industry supports 321,000 full-time equivalent jobs as of January 2021.³ In 2020 and despite the impacts of the COVID-19 pandemic, the legal cannabis industry saw a 32 percent increase in year-over-year job growth or more than 77,000 jobs.⁴ As a result, more Americans are now employed in the legal cannabis industry than as electrical engineers, Emergency Medical Technicians, or dentists.⁵

¹ The Insured Retirement Institute (IRI) is the leading association for the retirement income industry. IRI proudly leads a national consumer coalition of 40 organizations and is the only association that represents the entire supply chain of insured retirement strategies. IRI members are the major insurers, asset managers, broker-dealers/distributors, and 150,000 financial professionals. As a not-for-profit organization, IRI provides an objective forum for communication and education, and advocates for the sustainable retirement solutions Americans need to help achieve a secure and dignified retirement. Learn more at www.irionline.org.

² [Cannabis Industry Statistics for 2021](#). (n.d.). Retrieved March 25, 2021

³ Barcott, B., Whitney, B., & Bailey, J. (2021, February). [Jobs Report 2021](#). Retrieved March 25, 2021

⁴ *Ibid*

⁵ *Ibid*

However, as marijuana remains a Schedule I Substance under the *Controlled Substances Act* and an illegal substance at the federal level, access to essential financial and banking services is essentially blocked for this growing workforce. The risk of running afoul of provisions contained in the *Bank Secrecy Act* and federal anti-money laundering laws has left many financial institutions unwilling to provide their services to this industry,⁶ including the offering of retirement savings plans as a benefit to the employees.

In addition, we are witnessing a continuing shift away from employers providing defined-benefit pensions as a benefit for their employees. As a result, the responsibility of preparing for retirement is being placed squarely on the shoulders of America's workers. However, recent research conducted by IRI has shown that savings rates among workers remain low. In fact, only 45 percent of Baby Boomers⁷ and 40 percent of Generation Xers⁸ have nothing saved for retirement and of the Millennials with retirement savings, half have saved less than \$10,000⁹.

A significant factor contributing to the lack of savings is that most workers do not have access to an employment-based savings plan. Research conducted by the Bureau of Labor Statistics has shown that 60 percent of full-time workers at small and medium-sized businesses – of which many legal cannabis businesses would qualify as – do not have access to one of the many types of employment-based retirement plans.¹⁰

By simply having access to workplace retirement savings opportunities, workers are more likely to participate and save. According to a report by the PEW Charitable Trust, 72 percent of all workers aged 22 and up who are eligible for participation will enroll in a workplace defined contribution plan when one is offered. Enrollment increases to 85 percent of those 22 and older and eligible if an employer-matching contribution is available.¹¹ Enabling workers at small and medium-sized businesses – particularly those in an industry growing as rapidly as legal cannabis – will help put more of America's workers on the path toward a financially secured and dignified retirement and help alleviate the anxiety many are feeling about their future financial security during their retirement years.

IRI has a long history of supporting and advocating for the enactment of bipartisan, common-sense solutions to help expand opportunities for workers to save for their retirement. As such, providing clarity and certainty to better facilitate the offering of retirement plans for the workers of legally licensed cannabis companies through the enactment of the *SAFE Banking Act* was included 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.

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,



Paul Richman
Chief Government and Political Affairs Officer
Insured Retirement Institute

⁶ [Challenges & Solutions: Access to Banking Services for Cannabis-Related Businesses](#), 116th Cong., 5 (2019) (testimony of David H. Carpenter).

⁷ [Boomer Expectations for Retirement 2019](#) (Rep.). (2019). Washington, DC: Insured Retirement Institute.

⁸ [Generation X and Retirement Readiness: They're \(Mostly\) Doing It Wrong](#) (Rep.). (2018). Washington, DC: Insured Retirement Institute

⁹ [Millennials & Retirement](#) (Rep.). (2020). Washington, DC: Insured Retirement Institute.

¹⁰ "National Compensation Survey: Employee Benefits in the United States, March 2018" Bureau of Labor Statistics

¹¹ [Retirement Plan Access and Participation Across Generations](#)