



Insured Retirement Institute

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May 17, 2021

The Honorable Charles Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, DC 20150

The Honorable Maggie Hassan  
United States Senate  
324 Hart Senate Office Building  
Washington, DC 20150

The Honorable James Lankford  
United States Senate  
316 Hart Senate Office Building  
Washington, DC 20150

Dear Senators Grassley, Hassan, and Lankford:

The Insured Retirement Institute (IRI)<sup>1</sup> writes to express its support for the *Improving Access to Retirement Savings Act of 2021*. The measures contained in the bill will help America's workers and retirees to take another step forward on the path toward strengthened retirement security that the *Setting Every Community Up for Retirement Security Enhancement Act* established. The bill provides common-sense, bipartisan solutions that will help address the challenges and obstacles that continue to inhibit savings and producing income during retirement.

Recent research shows that workers, retirees, and their families across America are concerned about their ability to accumulate sufficient savings to provide sustainable income to last throughout retirement. This anxiety has significantly grown in the past year with the COVID-19 pandemic's impact on retirees and workers' health and financial well-being.

A survey conducted by the National Institute on Retirement Security provides some insights into the depth of this anxiety. The survey found that more than two-thirds – 67 percent – say the nation is facing a retirement crisis, and more than half – 56 percent – are concerned they will not be able to achieve financial security in retirement. The same survey also found that 51 percent say their concerns about their ability to achieve financial security in retirement has increased, 67 percent say that COVID-19 has changed or is causing them to consider changing their retirement plans, and 65 percent of current workers say it is likely they will have to work past retirement age to save enough money to retire.<sup>2</sup>

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<sup>1</sup> 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 90 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](http://www.irionline.org).

<sup>2</sup> "Retirement Insecurity 2021 – American Views of Retirement." National Institute on Retirement Security. February 2021

Additionally, Fidelity Investments released the findings of a study that further demonstrates the harm inflicted on retirement plans due to last year's events. Fidelity Investments' survey found that 80 percent of American workers said actions such as job loss or withdrawals from retirement accounts disrupted their retirement plans. One-in-three estimate that it will take them two to three years to recover from the financial and economic impact of the COVID-19 pandemic.<sup>3</sup>

As demonstrated by this research, retirement security remains a significant concern for America's workers, retirees, and their families. This research also confirms what IRI's members hear from the millions of workers and retirees they work with daily to plan and save for retirement – workers and retirees feel the burden of accumulating savings to produce income to sustain them throughout retirement squarely on their shoulders. This has placed enormous pressure on individuals, particularly if they are lower- and middle-income workers.

Several of the measures included in the *Improving Access to Retirement Savings Act of 2021* will help America's workers, retirees, and their families build economic equity and strengthen their financial security. The measures contained in this bill will expand opportunities for employees of nonprofit organizations to save for retirement and clarify the timetable for the applicability of a start-up credit to incentivize small businesses to join a retirement plan on behalf of their employees. IRI called for the enactment of these measures into law in its [2021 Federal Retirement Security Blueprint](#).

#### **Authorize the Formation of 403(b) PEPs**

Many 501(c)(3) nonprofits, public educational organizations, and religious institutions face financial and administrative challenges, as well as legal risks when seeking to offer employees a retirement plan such as a 403(b) plan. As a result, many do not offer a retirement plan to their employees. To help and encourage these organizations to provide a retirement plan to their employees, the *Improving Access to Retirement Savings Act of 2021* authorizes 403(b) pooled employer plans (PEPs) in the same manner as other pooled employer plans established by the SECURE Act. By doing so, the burdens and administration challenges that currently discourage nonprofits, public educational organizations, and religious institutions from offering a retirement plan would be alleviated, and these organizations can achieve the same economies of scale and delegate to a professional plan fiduciary just like other small business.

#### **Clarify the Eligibility Period for Plan Start-Up Tax Credit for Small Businesses Who Join PEPs**

While the SECURE Act enhanced the tax credit available to help facilitate small businesses starting and offering retirement plans to their employees by joining a multiple employer plan (MEP) or pooled employer plan (PEP), the start-up credit appears to only be available to a small business joining the MEP or PEP during the plans first three years of operation. The *Improving Access to Retirement Savings Act of 2021* clarifies that the three-year start-up credit applies to when the small businesses join a MEP or PEP and not when the plan begins. This clarification will encourage more small businesses to offer a retirement plan and facilitate greater use of MEPs or PEPs as the means to provide that plan.

For the reasons cited above, IRI is pleased to express its support for the *Improving Access to Retirement Savings Act of 2021* and its solutions to mitigate the obstacles workers and retirees face in planning and saving for retirement. As your offices work to advance this legislation, IRI would like to highlight our support for H.R. 2954, the *Securing a Strong Retirement Act of 2020*, introduced by House Ways and Means Committee Chairman Richard Neal (D-MA) and Ranking Member Kevin Brady (R-TX). The *Improving Access to Retirement Savings Act of 2021* complements this comprehensive package designed to enhance retirement savings opportunities, increase access to lifetime income solutions, and provide options that would strengthen retirement security for America's workers and retirees.

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<sup>3</sup> ["2021 State of Retirement Planning Study."](#) Fidelity Investments. March 2021

With the Senate and the House introducing comprehensive retirement security legislation, IRI urges both chambers of Congress to work together, quickly resolve any differences among the bills and act to bolster retirement security with bipartisan supported, common-sense solutions.

IRI welcomes the opportunity to work with you and your staffs to advance these proposals. Please do not hesitate to contact me at (202) 469-3004 or [prichman@irionline.org](mailto:prichman@irionline.org), or John Jennings, Assistant Director of Government Affairs at (202) 469-3017 or [jjennings@irionline.org](mailto:jjennings@irionline.org) if we can provide any additional assistance in securing the passage of vital retirement security legislation.

Thank you for your leadership in pursuing legislation that will help our nation's workers and retirees achieve a financially secure and dignified retirement.

Sincerely,



Paul J. Richman  
Chief Government & Political Affairs Officer  
Insured Retirement Institute