



October 27, 2020

The Honorable Richard Neal
Chairman
Committee on Ways and Means
1102 Longworth HOB
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
1139 Longworth HOB
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

AARP, on behalf of our 38 million members and all older Americans nationwide, is pleased to support your bipartisan efforts to improve the retirement system with the introduction of the Securing a Strong Retirement Act of 2020. While Social Security continues to be the bedrock of retirement income for most American workers and their families, individuals want and need additional retirement income sources, and we appreciate your bipartisan work to make a number of improvements to current law.

Under your bill, more people who work part time will be able to enroll in their employers' 401(k)-type savings plans. This change will be especially helpful to the many older workers in the current economic climate who can only find part-time work or need to work part-time due to caregiving responsibilities. In addition, new employer plans would automatically enroll workers in their retirement savings plans once they have been in business for three years. This provision will help so many employees who will benefit from automatic savings.

For workers who are already struggling to save for retirement, the bill expands the current SAVERS's tax credit to provide an enhanced "matching contribution" to millions of additional middle-income families. The bill also creates a national retirement Lost and Found office to help workers locate retirement accounts they may have had with previous employers. This is increasingly important as more and more workers change jobs several times over the course of their careers. AARP also is pleased that the bill sets national standards for recouping plan overpayments that were no fault of the employee, and prohibits employers from requiring more than 10% repayment a year. Finally, the bill makes improvements to the required minimum distribution rules, including exempting a threshold amount, that will help preserve savings.

AARP also appreciates the bill's requirement that plan participants receive at least one annual paper statement of their earned benefits. Full and meaningful disclosure is critical to pension law, and Congress needs to ensure workers will receive and can review important retirement plan documents. An annual benefit statement, similar to the Social Security statement of earned benefits, is essential to help employees better understand and successfully oversee their plans and determine if they are on track for retirement. AARP also supports the optional delivery – and retention – of important information electronically. Information should be provided in the form that workers and families want.

AARP again thanks you for your bipartisan efforts to improve the retirement system for millions of American families. We look forward to continuing to work with you to help every American save for retirement. If you have any further questions, please feel free to call me, or have your staff contact Michele Varnhagen at MVarnhagen@aarp.org or (202) 434-3829.

Sincerely,

A handwritten signature in purple ink that reads "Bill Sweeney". The signature is fluid and cursive, with the first name "Bill" and last name "Sweeney" clearly legible.

Bill Sweeney
Senior Vice President
Government Affairs