

Statement by the ERISA Industry Committee
to the
U.S. Senate Committee on Health, Education, Labor & Pensions
Hearing on
Retirement Security: Building a Better Future
May 13, 2021

Chairman Murray, Ranking Member Burr, and members of the Senate Health, Education, Labor & Pensions (HELP) Committee, thank you for the opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) on retirement security and building a better future. ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members are leaders in every industry sector and provide comprehensive retirement benefits to tens of millions of active and retired workers and their families across the country. As such, ERIC has a strong interest in policies that impact employers' ability to provide cost-effective retirement programs and the ability of employees to receive such benefits.

ERIC member companies are working hard to keep their businesses viable, to keep workers employed, and to continue providing benefits. Each member company has a different situation, but all of them can benefit from changes in ERISA to help them support their workers and their workers' retirement security. ERIC very much appreciated the retirement provisions in the "The Coronavirus Aid, Relief, and Economic Security (CARES) Act" and in the American Rescue Plan Act of 2021 which provided immediate aid to retirement plan participants and sponsors. To further support the financial and retirement security of workers and retirees, ERIC encourages Congress to implement the following provisions:

- **Allow for "matching contributions" for student loan payments** to encourage increased retirement savings
- **Ease administrative burdens on plan sponsors** by expanding the self-corrections process and consolidating notice requirements
- **Expand the RMD age from 70 ½ to 75**
- **Provide additional savings opportunities for those close to retirement** by increasing the catch-up limit in plans
- **Clarify the recovery process for retirement plan overpayments** from innocent participants and their future payments
- **Create a pension registry** to help plan sponsors locate hard-to-find plan participants
- **Modernize the definition of a highly compensated employee (HCE)**, which maintains the key policy objective of the nondiscrimination rules by assuring that the qualified plan benefits an appropriate portion of employees without management or decision-making power
- **Promote emergency savings funds** that allow defined contribution plans to permit participants to withdraw or use limited, pre-tax elective deferrals for critical short-term financial needs without imposing an early distribution tax penalty

You will note that many of these provisions were included in The Retirement Security and Savings Act which was introduced by Senators Cardin and Portman during the last Congress and in the Securing a Strong Retirement Act of 2021 which was introduced by Congressmen Neal and Brady in the House this year. ERIC applauds the leadership of these members of Congress in recognizing the continued need to focus on retirement security.

ERIC and our large employer plan sponsor members look forward to continued conversations with you and other interested parties to advance these measures and explore additional provisions that can be included to further promote retirement security for working Americans. Thank you for the opportunity to share our ideas during this hearing. If you have any questions, please contact me at arobinson@eric.org or by calling 202-789-1400.

Sincerely,

A handwritten signature in cursive script that reads "Aliya Robinson".