

1 OPEN EXECUTIVE SESSION TO CONSIDER THE ENHANCING
2 AMERICAN RETIREMENT NOW (EARN) ACT
3 WEDNESDAY, JUNE 22, 2022
4 U.S. Senate,
5 Committee on Finance,
6 Washington, DC.

7

8 The hearing was convened, pursuant to notice, at
9 10:08 a.m., in Room SD-215, Dirksen Senate Office
10 Building, Hon. Ron Wyden (Chairman of the committee)
11 presiding.

12 Present: Senators Stabenow, Cantwell, Cardin,
13 Brown, Bennet, Casey, Warner, Whitehouse, Hassan, Cortez
14 Masto, Warren, Crapo, Grassley, Cornyn, Thune, Burr,
15 Portman, Toomey, Lankford, Daines, Young, Sasse, and
16 Barrasso.

17 Also present: Democratic staff: Sam Conchuratt,
18 Professional Staff Member; Drew Crouch, Senior Tax and
19 ERISA Counsel; Michael Evans, Deputy Staff Director and
20 Chief Counsel; Joshua Sheinkman, Staff Director; and
21 Tiffany Smith, Chief Tax Counsel. Republican staff:
22 Courtney Connell, Senior Tax Counsel; Jamie Cummins, Tax
23 Counsel; Michael Quickel, Policy Director; Gregg
24 Richard, Staff Director; and Jeffrey Wrase, Deputy Staff
25 Director and Chief Economist.

1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON, CHAIRMAN, COMMITTEE ON FINANCE

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4 The Chairman. The committee will come to order. We
5 meet today to consider the enhancing American Retirement
6 Now Act. This is a busy morning in the Senate with many
7 other committees also conducting business.

8 So, for the information of Senators and staff, let
9 me explain how I and Ranking Member Crapo would like to
10 proceed. We each will deliver an opening statement.
11 Other members then are welcome to deliver opening
12 statements of up to five minutes.

13 Once opening statements have been given, I will ask
14 the Joint Committee on Taxation chief of staff Tom
15 Barthold to describe the Chairman's Mark and the
16 modification.

17 Once that has been done, members may ask any
18 technical questions they have of Chief Barthold, the
19 committee staff of the Treasury staff. After that, we
20 may, depending on members' availability, have debate on
21 amendments, but without conducting votes.

22 At 11:30, assuming that we have a sufficient quorum,
23 we will vote on amendments and final passage. I urge
24 members to be present promptly at 11:30 so that we can
25 conclude our work quickly.

1 Senator Crapo, is that approach acceptable to you?

2 Senator Crapo. Yes, Mr. Chairman.

3 The Chairman. With that, we will turn to opening
4 statements. I will begin.

5 As I noted, we are considering the EARNIT Act today.
6 It includes more than 70 proposals aimed at helping more
7 Americans save. The culmination of months of
8 collaboration between just about every member of the
9 committee, Democrat and Republican.

10 It starts with the proposition that helping people
11 save is key to an economic system that gives everybody
12 in America a chance to get ahead, particularly for
13 people of modest incomes and the middle class. The
14 system today is not doing enough to help them set money
15 aside.

16 The need for reforms is even more urgent at a time
17 when prices are rising and eating into family budgets.
18 More Americans are now reporting that they expect that
19 they will not have enough to set aside to retire any
20 time soon. And the number of retirees who are going
21 back to work is climbing.

22 That is why it is so important for this Congress to
23 act. This committee has been leading the way on a
24 bipartisan basis. I am going to briefly mention four
25 major reforms in the EARNIT Act.

1 First, the bill includes a pair of important
2 upgrades to the Savers Tax Credit. For the first time,
3 the Savers Tax Credit will be deposited directly into a
4 worker's IRA or 401K account, rather than being lumped
5 into any tax refund. This is going to unlock even
6 greater savings potential with added interest and
7 earnings on that deposit.

8 Also, for the first the Savers Credit will be fully
9 refundable, which means workers of modest incomes will
10 get an additional boost to their savings that they did
11 not get before.

12 Taken together, these changes make the Savers Credit
13 a much more powerful tool to help working people and
14 middle-class Americans prepare for retirement. Roughly
15 twice as many workers will qualify, up to 77 million.
16 For typical Oregon workers who participate in my state's
17 Oregon Saves Program, the EARNIT Act will deliver a 50
18 percent boost to their savings by the time they reach
19 retirement. These are changes that we have sought for
20 years. They are key to giving all Americans a chance to
21 get ahead.

22 Number two, there will be a new savings opportunity
23 for people who are now buried under student loans. Here
24 is the issue: Millions of Americans have loads of
25 student loan debt that they typically pay off every

1 month. By the time they pay for food, rent, utilities,
2 the car, and those student loan payments, many people do
3 not have anything left to participate in their
4 employer's retirement plan.

5 The EARN Act says they will no longer have to forego
6 that opportunity to save. For the first time, people
7 making student loan payments will qualify to participate
8 in their employer's retirement plan. While they are
9 paying down their loans, their employers make
10 contributions to begin building up their retirement
11 accounts. This is a fresh approach that rewards people
12 with increased savings for making smart financial
13 choices, another long-standing priority of this
14 committee.

15 Number three, for the first time the EARNIT Act will
16 direct the Treasury to come up with a new standardized
17 form that retirement plans can use to make rollovers
18 easier for workers. Rollovers are how workers bring
19 their savings along when they change jobs. Today that
20 process is often an incredible headache. There's loads
21 of paperwork. Forms are not standardized. The process
22 is slow and confusing. The EARNIT Act is going to help
23 change that because portability ought to be a whole lot
24 simpler.

25 Number four, for the first time the EARNIT Act will

1 allow all employers to allow workers to take
2 distributions from their retirement accounts to pay for
3 long-term care in premiums. The distributions out of
4 retirement accounts will still be taxable, but there
5 will no longer be a 10 percent penalty. It will mean
6 that more people are able to get high quality, long-term
7 care insurance coverage in case they need expensive at-
8 home or nursing home care.

9 These are just a few of the 70-plus provisions
10 included in the EARNIT Act. Again, I want to thank
11 Ranking Member Crapo and every member of the committee
12 for their hard work. This has been a big challenge. I
13 am glad the committee is coming together. And I
14 particularly want to thank Senators Cardin, and I
15 believe he is here, and Senator Portman. As Senator
16 Crapo knows, these two have spent years and years
17 putting together sensible retirement policy. This is
18 the best of the way the Senate ought to be working in
19 trying to find common ground, and I commend them for it.

20 Before turning to Senator Crapo, I am going to
21 discuss one of my top priorities which is not in the
22 bill. The stunning fact is half of the top one percent,
23 or the top one percent, 8,300 taxpayers out of nearly
24 150 million have been gaming the tax rules for years to
25 build massive retirement accounts. These fortunate few

1 now hold collectively more \$200 million dollars in their
2 IRAs and 401K accounts. These are massive amounts --
3 they were massive accounts that were built with assets
4 that exploded in value over time, a wealth accumulation
5 strategy that is not available to the typical American.

6 There is no reason why American taxpayers should be
7 on the hook for subsidizing these massive accounts. I
8 propose ending this game playing by requiring
9 distributions when a taxpayer's 401K and IRA account
10 balance reaches \$10 million. There was not agreement to
11 include this proposal in the bill the committee is
12 considering today.

13 I do want members on both sides of the aisle who are
14 following this to know I am going to be bird dogging
15 this issue constantly as we go forward in considering
16 this legislation. The final retirement bill that hits
17 the President's desk ought to crack down on this obvious
18 abuse of the Tax Code.

19 Senator Crapo?

1 OPENING STATEMENT OF HON. MIKE CRAPO, A U.S. SENATOR
2 FROM IDAHO

3

4 Senator Crapo. Thank you, Mr. Chairman.

5 Nearly one year ago we held a policy hearing on how
6 we could strengthen private retirement savings by
7 building on the success of the original SECURE Act. At
8 that time, I noted retirement has a history of
9 bipartisan cooperation and I expected this process,
10 SECURE 2.0, to be no different.

11 My expectation turned out to be true. Mr. Chairman,
12 thank you for making this legislation a priority, and
13 for working to construct a retirement package that will
14 garner widespread bipartisan support in this committee
15 and in the entire Senate.

16 Reaching today's markup on the Enhancing Americans
17 Retirement Now, or EARN Act, is the product of months of
18 bipartisan work that resulted in a bill that will
19 increase participation in retirement plans, strengthen
20 and encourage private retirement savings, and make it
21 easier for employers to offer retirement plans.

22 Every member of the Finance Committee had a hand in
23 drafting this bill, and it reflects priorities and input
24 from every committee member. Two colleagues in
25 particular have played a central years-long role in

1 laying the foundation for what we consider today --
2 Senator Portman and Senator Cardin. They are leaders on
3 retirement security issues and deserve a great deal of
4 credit for advancing many of the policies reflected in
5 this legislation.

6 Incentivizing automatic enrollment in plans,
7 increasing the required minimum distribution age and
8 catch-up contribution limit, and making it easier for
9 part-time workers to participate in retirement plans,
10 are just a few of their policies that have built the
11 foundation for this bill and the entire SECURE 2.0
12 process.

13 Senator Portman and Senator Cardin, thank you for
14 your commitment to this.

15 Senators Grassley, Lankford, and Hassan worked to
16 improve rules relating to 403B plans, while Senators
17 Barrasso and Carper worked to create additional
18 retirement plan options for small businesses through
19 their starter 401K proposal.

20 Senator Cornyn worked with Senator Cortez Masto on
21 legislation to allow domestic abuse survivors the
22 ability to access retirement funds when they need it
23 most. While Senators Burr and Bennet worked to ensure
24 terminally ill patients can do the same. Senators Thune
25 and Toomey worked across the aisle and led efforts

1 regarding retired first responders and corrections
2 officers. Senator Daines worked on a retirement lost-
3 and-found registry with Senator Warren. While Senators
4 Scott and Brown worked to improve portability between
5 retirement plans when workers change jobs, an area that
6 has also gained Senator Sasse's interest.

7 Senators Cassidy and Menendez pushed for certain
8 rules governing retirement account withdrawals in the
9 case of natural disasters. Senator Lankford worked with
10 Senator Bennet on an important issue, emergency
11 withdrawals from retirement accounts. Their legislation
12 allows individuals the ability to access small amounts
13 of money when they are faced with an emergency. Senator
14 Young worked in a bipartisan way to improve the rules
15 relating to special needs trusts, and also on a very
16 important issue -- emergency savings.

17 I look forward to continuing to work with you and
18 our Senate Committee on Health, Education, Labor, and
19 Pensions health and other colleagues on your bill. I
20 also want to recognize Senator Warner and his work with
21 Senator Collins on the simple IRAs, and I look forward
22 to working with him as we move this legislation forward
23 in the future.

24 These are just a few of the examples of the broad
25 range of ideas incorporated into the bill we are

1 considering today, and it is a testament to the power of
2 bipartisanship. When we work together, we can create
3 impactful and lasting work.

4 I also thank and recognize the Joint Committee on
5 Taxation for their tireless work. The Finance Committee
6 cannot properly function without JCT's expertise. So
7 thank you to Tom Barthold, JCT's Chief of Staff who is
8 with us today, and to the policy staff at JCT who helped
9 all of our Finance members prepare for today's markup --
10 Rhonda Migdail, Clare Diefenbach, Sally Kwak, Kelly
11 Scanlon, and many others who worked behind the scenes.
12 Your hard work over the past few months is greatly
13 valued.

14 Once the Finance Committee reports this bill, I look
15 forward to working with our colleagues on the Health
16 Committee and our House colleagues to resolve any
17 differences and get a bill to the President's desk.

18 Thank you, Mr. Chairman.

19 The Chairman. Thank you, Senator Crapo. And,
20 Senator Crapo, you very appropriately thanked a number
21 of our colleagues and stressed bipartisan cooperation.
22 But, colleagues, I would just note that there was not
23 any recognition at this point of Senator Crapo's work
24 that has been so urgent. And I want to tell our
25 colleagues that I very much appreciate it. This day

1 could not have happened without your cooperation, and I
2 thank you for it.

3 Senator Crapo. Thank you.

4 The Chairman. Do other members wish to make opening
5 statements?

6 Senator Cardin?

1 OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, A U.S.
2 SENATOR FROM MARYLAND

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4 Senator Cardin. Well, thank you, Mr. Chairman.
5 First, I want to acknowledge the extraordinary
6 leadership of this committee, Senator Wyden and Senator
7 Crapo. You set the climate for us being able to reach
8 this moment, and you were able to get all members of the
9 committee engaged in the process.

10 As a result, we have a much stronger bill and a much
11 better chance for this bill to reach the finish line.
12 So, I want to congratulate our two leaders for the
13 climate under which we were able to work together. And
14 I do want to acknowledge Senator Portman. I do that for
15 many reasons. It was about 30 years ago that Bill
16 Gradison, his predecessor in the House of
17 Representatives, told me about this young Congressman
18 who would be coming to the Congress that I would enjoy
19 working with him. I had worked with Bill Gradison on
20 many issues in a bipartisan manner, and that proved to
21 be correct.

22 We have been working almost 30 years on retirement
23 security issues, and it has been a real pleasure to work
24 with him. We have not just a bipartisan or nonpartisan
25 process that we used, it included the input from all

1 stakeholders, not just the obvious ones in the financial
2 fields, but also the consumer advocates, et cetera.

3 As a result, we have been able over the last 20-some
4 years to be able to enact meaningful pension reform.
5 And as we all know, Senator Portman will be in his last
6 Congress. So, I just personally want to thank him for
7 his extraordinary leadership on this issue and so many
8 other issues, and we are going to miss you. And thanks
9 for your friendship and thanks for your help.

10 I do want to acknowledge that we made progress over
11 the last 30 years as a result of the enactment of these
12 bills. More people do have retirement savings. But as
13 the leadership of this committee pointed out, far too
14 many people do not. We still have a long way to go in
15 regard to national savings and retirement savings. And
16 this legislation will help us advance more people being
17 able to put money away for retirement. But with
18 particular emphasis on lower wage workers. They are the
19 ones who are the most vulnerable. And this legislation
20 really moves us forward in that regard.

21 According to a GAO report in 2019, 48 percent of
22 workers did not have any -- who were near retirement,
23 did not have any retirement savings. And 29 percent had
24 zero savings or pensions available to them. So, we
25 still have work to do.

1 The legislation before us, Senator Portman and I
2 introduced legislation earlier in this Congress. Much
3 of it is incorporated in this legislation, and we
4 appreciate that. There are numerous provisions. I am
5 not going to go through all of them, but I do want to
6 just underscore what the Chairman pointed out. And that
7 is, we want to get more people engaged in retirement
8 savings, particularly lower wage workers.

9 So, it is important to have a match on the table.
10 What do I mean by that? The tax incentives have worked
11 for some people but not for all. You have got to have
12 money on the table. We know that with the Thrift
13 Savings Plans, how many people participate in that plan
14 because the government has a match.

15 So, one of our objectives over time is to make it
16 easier for employers to sponsor plans. The challenge is
17 mostly with smaller companies. So once again this
18 legislation makes it easier for smaller companies to be
19 able to set up pension plans so they can put up money
20 incentives for employees to participate in retirement
21 plans. That will get, again, lower wage workers.

22 Secondly, as the Chairman pointed out, the
23 refundability of the Savers Credit, with that money
24 going directly into a savings account, will directly
25 help lower wage workers. So, in those respects we are

1 going to significantly increase the number of workers
2 who have retirement opportunities. But as you pointed
3 out, we go beyond that.

4 Part-time workers -- by the way, there are more
5 women that are affected by this than men. One of the
6 gender issues that we have had on equality. But by
7 expanding the opportunities for part-time workers we
8 will be able to get more people participating in
9 retirement plans.

10 The Chairman pointed out, with students, those
11 recent graduates who have this mountain of debt that
12 they have to pay a priority to. Well, we made an
13 accommodation and I particularly want to emphasize
14 Senator Wyden's leadership on this issue, allowing that
15 to be used as a match to the employer's contributions so
16 they can participate at a younger age in retirement
17 savings, which is critically important to have the
18 multiplier effect when they retire.

19 And the automatic enrollment, that has worked. So,
20 we have incentives here to increase the opportunities
21 for automatic enrollment, because Americans make
22 decisions by indecision. This way, they are
23 participating in retirement plans.

24 And lastly, let mention the fact that as we have
25 gone from a world of defined benefit plans to defined

1 contribution plans, many people, many older people are
2 outliving their retirement. And there are provisions
3 here that will make it easier for people to have
4 lifetime income on their longevity annuity contracts, as
5 well as increasing the required minimum distribution
6 dates.

7 All that I think will help with retirement security.
8 I am more optimistic today than ever with the issues
9 with this committee, the action taken by the HELP
10 Committee, and the House of Representatives passing
11 similar legislation by a 414 to 5 vote.

12 Mr. Chairman, thank you again and I look forward to
13 working with you.

14 The Chairman. Thank you, Senator Cardin. Every
15 time we get a chance to hear Senator Cardin discuss
16 these issues, you almost feel like you are part of the
17 teach-in with respect to the basics of how important it
18 is to give everybody in America the opportunity to get
19 ahead and save. And I thank you.

20 We are going to recognize the other half of the
21 Cardin-Portman juggernaut.

22 Senator Cornyn is next.

1 OPENING STATEMENT OF HON. JOHN CORNYN, A U.S. SENATOR
2 FROM TEXAS

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4 Senator Cornyn. Well, thank you, Mr. Chairman, for
5 holding today's markup of the EARN Act. I appreciate
6 you and the Ranking Member working together, along with
7 members of the committee, to produce this mark.

8 This legislation will help Americans save for their
9 retirement, improve their financial security, and make
10 it easier for them to plan for their golden years. It
11 builds on the bipartisan SECURE Act that became law last
12 Congress. I want to thank both of you for including two
13 of my priorities in the Chairman's mark. The mark
14 includes, as you noted, the SAFER Act, which will
15 provide domestic violence victims with the option of
16 using their retirement plans in an emergency. Domestic
17 violence survivors leave dangerous situations and often
18 face financial instability. They, frankly, need a safe
19 place to live, especially when their abuser has used
20 money to control them. Allowing survivors to access
21 their retirement funds penalty free until they get back
22 on their feet, we can help make what is a horrible
23 experience just a little bit easier.

24 This is supported by diverse groups from the YWCA to
25 the National Network to End Domestic Violence.

1 Secondly, the mark includes a version of the Legacy
2 IRA Act which will allow seniors to make charitable
3 donations with tax-free IRA rollovers through life
4 income plans, including charitable gift annuities.

5 A broad coalition of nonprofits, including the
6 American Heart Association, which counts Dallas, Texas,
7 as its home, supports this proposal.

8 So, Mr. Chairman, thank you for a chance to make a
9 few brief remarks. I look forward to supporting the
10 EARN Act.

11 The Chairman. I look forward to working you,
12 Senator Cornyn.

13 I believe Senator Portman is next.

1 OPENING STATEMENT OF HON. ROB PORTMAN, A U.S. SENATOR
2 FROM OHIO

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4 Senator Portman. First, thank you, Mr. Chairman,
5 and Ranking Member Crapo, for both your willingness to
6 work with Senator Cardin and myself to make this project
7 possible, the next big step in retirement security, and
8 for your very helpful contributions to this effort. We
9 would not be here without that.

10 So many of our constituents are really concerned
11 about their retirement. They just do not see how they
12 are going to be able to make ends meet in retirement,
13 and they are right. The pandemic has made it a lot
14 worse. People have not been able to save what they
15 hoped to be able to do, particularly lower income
16 Americans. And rampant inflation now is making
17 everything more expensive.

18 I talked with some folks over the weekend who say,
19 you know, one guy said "I used to put 20 percent away
20 for my retirement; I can't do that anymore because of
21 the cost of gas and food." So, it is tougher to save.

22 So, in my view this markup to help people be able to
23 do that, save for their retirement, is particularly
24 timely. Throughout my 24 years in Congress, dating
25 myself, I have had an amazing partner on retirement

1 security, and other issues, in Senator Ben Cardin who
2 spoke earlier. Together we have enacted three
3 significant retirement bills that were actually quite
4 effective in helping to address the challenges in the
5 retirement system, increasing people's peace of mind in
6 retirement.

7 Since 2001 when we were both in the House and
8 enacted our first bill to expand retirement savings,
9 401Ks, IRAs, and so on, retirement savings have
10 increased by about 150 percent, from \$11 trillion to
11 about \$28 trillion. Our work together has helped make
12 that possible. And, Ben, it has been great working with
13 you. But there is much more to do.

14 As we look at this fourth and final Cardin-Portman
15 bill, once again I see an opportunity to pass something
16 that sensible, middle ground, and bipartisan that can
17 address the challenges we face today. We spent four
18 years working on this one.

19 We have talked to a lot of people on the outside --
20 think tanks, providers, other stakeholders. We have
21 focused on what are the impediments to expanding
22 retirement savings. So, people, tell us that the
23 problems are. Give us the data. And this legislation
24 is about developing new policies to address those
25 specific concerns.

1 First, helping more low-income and part-time workers
2 save for retirement. Why is that important? Only about
3 22 percent of part-time workers, as an example, and
4 about 23 percent of low-income workers, defined as 25
5 percent quartile and below, have any retirement plan.
6 They are not engaged in a retirement plan. And that is
7 a real issue for our country.

8 Second, we have incentivized small businesses to get
9 more engaged in plans. We have worked on that over the
10 years. We have had some success. But honestly only 28
11 percent of businesses with fewer than 10 workers have a
12 plan. We have to face that. Large businesses, by the
13 way, pretty much all have good plans. They may not be
14 great plans, but they are good plans, solid plans
15 whereas small businesses for the most part do not. So
16 that is why that is so important.

17 Third, encouraging Baby Boomers near retirement to
18 accelerate their savings. There is a lot of data out
19 there on this, but frankly the Baby Boom generation, the
20 generation that most of us around this table, just have
21 not saved for their retirement adequately to the point
22 that almost half of Baby Boomers have no net savings at
23 all, much less retirement savings. So that is why we do
24 more to accelerate savings in these later years.

25 And then the fourth one we learned about over the

1 years is that, as people are living longer and healthier
2 lives, retirement savings do not keep up. So they
3 outlive their retirement savings. So that is why we are
4 helping in this legislation to ensure that those who
5 have already retired have the savings they need to build
6 to live comfortably.

7 So again, thanks to the Chair and Ranking Member for
8 making the Build It -- Senator Cardin and I worked on
9 the base vehicle for today's markup, and thanks to all
10 my colleagues. Because the proposals that are either
11 part of the bill -- I know, for instance, Senator
12 Lankford has one in the bill; others, Senator Daines and
13 others are going to add things to the bill -- these all
14 make the bill better. And I appreciate their hard work
15 on this.

16 This bill is not just bipartisan, by the way, it is
17 bi-cameral, which is a rare experience around here.
18 Twenty-six of the Cardin-Portman provisions were
19 included in H.R.2954, Securing A Strong Retirement Act,
20 legislation introduced by the Chairman of the Ways and
21 Means Committee, Richy Neal, and the Ranking Member
22 Kevin Brady. This bill has passed the House with a lot
23 of momentum. It passed unanimously out of the House
24 committee, and then the Full House approved it with a
25 vote of 414 to 5. So this is very bi-cameral. And my

1 hope is we can quickly work together to finalize a
2 product.

3 Last week we saw the Senate Health Committee, the
4 Health Committee passed its own retirement package by
5 voice vote. It included 9 of the Cardin-Portman
6 provisions, and I appreciate the fact that they worked
7 so closely with us.

8 So, I am looking forward to moving this package
9 forward today with the goal we have been working with
10 our House colleagues on a final House-Senate agreed upon
11 product, and getting it signed into law before the
12 Congress adjourns, and I adjourn my career here in the
13 United States Congress.

14 Thanks again, Mr. Chairman.

15 The Chairman. Senator Portman, just one additional
16 point. I heard you say that this is the fourth and
17 final Cardin-Portman proposal on savings. I just want
18 to note that does not bar our opportunity to call you
19 and seek your counsel as we go forward on this. We
20 appreciate all the work that you and Senator Cardin have
21 done.

22 Senator Lankford?

1 OPENING STATEMENT OF HON. JAMES LANKFORD, A U.S. SENATOR
2 FROM OKLAHOMA

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4 Senator Lankford. Mr. Chairman, thank you. Ranking
5 Member, thank you for all the work, and your staff, and
6 your team. There is a lot that has gone on behind the
7 scenes on this, to be able to help negotiate and
8 navigate a lot of very complicated technical language.
9 I do appreciate the work of the teams and how well our
10 staffs have worked together on these issues.

11 Retirement should not be a partisan issue. It is
12 all Americans who are trying to be able to work towards
13 a secure retirement. So that is a positive thing for us
14 to be able to work together on.

15 One of the things that I have been working on
16 extensively for the past year is trying to help folks
17 with lower incomes start saving for retirement. That is
18 a group of Americans that are looking toward Social
19 Security to be able to meet their retirement needs, and
20 we all know Social Security will not meet their full
21 retirement needs. They have got to have something else
22 as well.

23 But for a lot of folks on the lower end of the
24 income spectrum, for them to set aside money for
25 retirement means that money is locked away. They cannot

1 get to it, then, in case of an emergency. And so we
2 worked through the process of trying to help find a way
3 to be able to help those individuals that can save for
4 retirement, even a little bit, also get access to some
5 of those funds in case of an emergency without having a
6 penalty.

7 So, it is something Senator Bennet and I have worked
8 on extensively. Our staffs have worked together
9 extensively on. We have had a lot of technical
10 assistance from the Administration. We also have nine
11 different investment and retirement groups that have
12 done extensive work with their members on this, and have
13 also recommended and stand behind it.

14 Mr. Chairman, I would like for these letters of
15 recommendation to be included in the record.

16 The Chairman. Without objection, so ordered.

17 [The letters appear at the end of the transcript.]

18 Senator Lankford. Thank you. The simple principle
19 is this. Can an individual that is setting aside money
20 for retirement be able to get access to a thousand
21 dollars of what they have vested in their retirement
22 fund without having a penalty. And then once they repay
23 that back over a three-year time period, in case they
24 have another emergency, they could get to that again in
25 case of that panic moment for them.

1 Four in ten Americans cannot come up with \$1,000
2 right now in case of an emergency. So, car breaks, air
3 conditioner breaks, refrigerator goes out, the kid ends
4 up in the hospital, whatever it may be, getting access
5 to \$1,000 makes an enormous difference for a lot of
6 families. So, this encourages those individuals to save
7 for retirement, and also allows them in case of an
8 emergency to get access to those funds without having a
9 penalty, but still incentivizes them to go put that
10 money back in their retirement because they are going to
11 need that in the days ahead.

12 So that is what we have worked on together. We have
13 had great cooperation on this for Senator Bennet and I,
14 and we are grateful that it is included in the base bill
15 today and look forward to having a chance to be able to
16 support this and many other good ideas.

17 The Chairman. Thank you, Senator Lankford, for the
18 good work that you and Senator Bennet have been doing on
19 these important issues.

20 Senator Daines is next.

1 OPENING STATEMENT OF HON STEVE DAINES, A U.S. SENATOR
2 FROM MONTANA

3

4 Senator Daines. Chairman Wyden, Ranking Member
5 Crapo, thank you. I am truly excited we are here today
6 considering this bipartisan retirement bill. I want to
7 thank you, Mr. Chairman, as well as Ranking Member, for
8 the long hours, the late nights you have undertaken to
9 make this markup possible.

10 I intend to offer one amendment today, which I would
11 like to briefly discuss. This amendment would
12 accelerate the effective date of a provision in the bill
13 that would exempt from taxation injury-related
14 disability pensions for first responders such as policy
15 officers, fire fighters, and EMS personnel.

16 These payments to disabled first responders are
17 already supposed to be tax-exempt before retirement.
18 But because IRS revenue agents are not always aware of
19 this, disabled first responders are hounded for taxes
20 that they do not actually owe. Adding to the confusion
21 is differing standards for retirement ages we see across
22 the country.

23 The Social Security Administration defines
24 retirement age as 65, but police and fire departments
25 are setting retirement ages as low as 45. My bill,

1 which is included in this amendment, would eliminate all
2 ambiguity these payments present regarding taxation.
3 Now the Chairman's mark has this provision taking effect
4 in 2028. The Daines-Stabenow-Grassley amendment would
5 accelerate the start date to the date on which this bill
6 is enacted.

7 This amendment is supported by the Fraternal Order
8 of Police, the National Association of Police
9 Organizations, and the Wounded Blue. Now the question
10 is: How do you pay for it? We pay for this amendment by
11 implementing a version of the Daines-Stabenow-Grassley
12 Charitable Conservation Easement Program Integrity Act
13 which would put an end to abusive syndicated
14 conservation easement tax shelters.

15 In short, we are taking money from tax cheats and
16 using it to provide tax cuts to disabled first
17 responders. I have here a letter from Heidi Paulson.
18 Heidi is the spouse, as well as a Billings, Montana,
19 native of Ladd who was on the Billings Police Force and
20 experienced two near-fatal accidents in the line of
21 duty. Ladd and Heidi have been on Capitol Hill several
22 times.

23 Ladd experiences daily pain resulting from his
24 injuries. And to compound that pain that he deals with
25 every day, he and Heidi in recent years have dealt with

1 five consecutive audits, eight federal letters of
2 inquiry, and three state letters of inquiry. In all of
3 these cases, Ladd and Heidi attempted to contact the IRS
4 about these taxes which they do not owe, only to
5 experience the same problem everybody else has that they
6 could not get anyone at the IRS on the phone.

7 In all of these cases, all of them, the IRS
8 ultimately got back to the Paulsons confirming they did
9 not in fact owe any taxes. But how many disabled first
10 responders are just paying the tax? Forcing disabled
11 first responders to wait on hold and file extensions for
12 tax returns simply to contest taxes they do not owe is
13 wrong.

14 If I might quote from Heidi's letter on behalf of
15 the Wounded Blue, she said this: "These men and women
16 didn't wait to go into dangerous situations to do the
17 right thing when it was convenient for them. They did
18 the right thing when it mattered most to those they were
19 standing up for. They did the right thing when the
20 person needing help actually needed the help." End
21 quote.

22 We have got a chance in this committee today to do
23 the right thing and accelerate the start date of this
24 provision so that these heroes receive help now, not in
25 2028. So I would urge my colleagues to support the

1 Daines-Stabenow-Grassley amendment later this morning
2 when we take it up.

3 Mr. Chairman, thank you.

4 The Chairman. Thank you, Senator Daines.

5 Let me just give a brief response, because we are
6 going to take a break before too long and I want
7 colleagues to understand what I think this issue is all
8 about.

9 First, Senator Daines, I very, very much support the
10 effort to help these disabled police and fire fighters
11 in such an important priority. Let me just touch,
12 colleagues, for a moment on the Conservation Easement
13 issue.

14 For those of us in the West, we have seen many, many
15 very good conservation easements. We see environmental
16 folks working with businesspeople. It is all locally
17 driven. We want to encourage this. They make a lot of
18 sense.

19 At the same time, we have seen a growing number of
20 tax shelter rip offs, rip offs that are not about
21 protecting land but are about dodging taxes. And I
22 intend, Senator Daines, to support your amendment
23 because, as you noted, on this committee we have put
24 years into investigating this. Senator Grassley and I
25 began it and are so appreciative of Senator Stabenow and

1 yourself, Senator Daines. This has been a bipartisan
2 effort every step of the way.

3 And I think it is time, colleagues, to draw a line
4 in the sand here and to say that many conservation
5 easements are very good, and particularly in the West.
6 We have seen them really pay off and bring people
7 together to help our communities, help the environment,
8 help industry. But we, at the same time, have seen a
9 growing pattern of abuse, of really using these tax
10 shelters, really kind of an abuse gold mine. So,
11 colleagues, I intend to support Senator Daines.

12 Senator Daines. Mr. Chairman?

13 The Chairman. Yes?

14 Senator Daines. May I briefly respond?

15 The Chairman. Yes.

16 Senator Daines. Thank you for that support. And
17 the vast majority of conservation easements are done
18 right for the right reasons and according to the law.
19 It is worth noting that since March the IRS now has
20 indicted seven different individuals for abusing this
21 provision. What this intends to do is to stop that and
22 allow the IRS to enforce the law and to encourage the
23 right kind of conservation easements, and to stop the
24 bad ones.

25 The Chairman. I appreciate it.

1 Senator Casey is next. Yes, Senator Casey?

1 OPENING STATEMENT OF HON. ROBERT P. CASEY, Jr., A U.S.
2 SENATOR FROM PENNSYLVANIA

3

4 Senator Casey. Mr. Chairman, let me start by
5 thanking you and Ranking Member Crapo for the work you
6 have done to get us to this point to be at this markup,
7 and to do the work you have done to encourage more
8 Americans to save and to give them vehicles to do that.

9 I want to talk about two issues, really two
10 different kinds of accounts. One is an Able Account,
11 and the other is Children's Savings Accounts. We had an
12 opportunity back in 2014, right at the end of the year,
13 December of 2014, to pass through the Finance Committee
14 a change in the Tax Code which basically would allow
15 families to save for a disability like you save for
16 retirement. We did not have that. So -- I'm sorry, to
17 save for a disability like you save for college, is
18 probably the best analogy.

19 You might have a family with two children, and if
20 you had one child with a disability, one child without a
21 disability, you could save for the child without a
22 disability to go to college if they wanted to do that,
23 but you could not save, without a lot of penalties, to
24 save for the disability of the other child.

25 So we changed that. We created the Able Accounts.

1 And that was a giant step forward for families that have
2 a child with a disability. But now we have got make
3 other changes to that provision. Without the changes
4 that we are about to make, many states will be forced to
5 impose enrollment and monthly fees on Able Accounts,
6 making them less accessible for people with
7 disabilities.

8 So, my amendment, which is the Able Edge Adjustment
9 Act, is a solution to increasing the number of accounts
10 and expanding those eligible to receive -- to open an
11 Able Account. It would ensure that people who receive
12 their disability after age 26 can open this account to
13 save for their needs. It would make 6 million more
14 Americans eligible for Able Accounts. And included
15 within that 6 million are 1 million Veterans.

16 So, Mr. Chairman, I have got 17 letters representing
17 184 organizations and elected officials stating their
18 unequivocal support for this amendment. These included
19 the State Treasurers of Iowa, Pennsylvania, Indiana, and
20 South Carolina. And from the National Association of
21 State Treasurers, the Wounded Warriors Project, and
22 numerous disability and Veterans organizations.

23 Mr. Chairman, I would ask your consent to enter
24 these letters into the record.

25 The Chairman. Without objection, so ordered.

1 [The letters appear at the end of the transcript.]

2 Senator Casey. So, I want to thank both you, Mr.
3 Chairman, and the Ranking Member, for your support of
4 this amendment.

5 The last point is on Children's Savings Accounts.
6 Lots of ways to describe the challenge that so many
7 Americans face, but we are told that 2 in 10 retirees
8 have no source of private income and rely completely on
9 Social Security. So, we have got so many Americans that
10 are starting to save too late, and many who do not save
11 enough.

12 Many Americans cannot start saving for retirement
13 until they have a chance to establish themselves in
14 life. I believe a comprehensive system of Children's
15 Savings Accounts, as I have proposed, would put
16 Americans on a level playing field early in life and
17 encourage savings throughout their life. Every American
18 deserves to start their adult life with some savings,
19 and every child should have the opportunity to reach his
20 or her full potential, whether that is by attending
21 post-secondary education, starting a business, saving
22 for retirement, or buying a home.

23 We have great models of how programs like this can
24 work from the state level. Maine, Pennsylvania, and
25 others have started Universal Children's Savings

1 Accounts for college, and I hope we can do that in the
2 near future.

3 Mr. Chairman, thank you very much.

4 The Chairman. Senator Casey, thank you. And thank
5 you for showing up every day and going to bat for
6 disabled folks and kids. And I have got to tell you,
7 and was just talking with Senator Crapo about it, we
8 ought to have an ethic in this country that lets kids at
9 the dawn of their lives be part of a savings kind of
10 program, and their grandparents and family can
11 contribute to it.

12 We will be working with you. I think your
13 leadership has been crucial.

14 All right; next is Senator Cortez Masto.

1 OPENING STATEMENT OF HON. CATHERINE CORTEZ MASTO, A U.S.
2 SENATOR FROM NEVADA

3

4 Senator Cortez Masto. Thank you, Mr. Chairman, and
5 Ranking Member Crapo. I want to thank you for holding
6 this important hearing on the Enhancing American
7 Retirement Now Act. It is an important bipartisan piece
8 of legislation. I will have to thank Senators Portman
9 and Cardin, as well, for their work over the years.

10 I know this legislation really is going to enhance
11 retirement security for so many Americans. I would like
12 to note and thank you for the support for including the
13 Savings Access for Escaping and Rebuilding Act in the
14 Chairman's mark. It is an important piece of
15 legislation that I authored. I want to thank Senator
16 Cornyn for joining me. It provides survivors of
17 domestic violence the opportunity to withdraw money from
18 their retirement plans in an emergency.

19 I have spent a career of really standing with
20 victims of domestic violence, and I know how important
21 it is for them to have this resource possible at their
22 disposal. Because quite often this is how the abuser
23 tries to control too many victims and taking away their
24 access to essential funds that they need to break the
25 chains of domestic violence is an important piece of

1 legislation that will help so many survivors. They will
2 be able to access their retirement savings without
3 penalty so that they can make sure they and their
4 families can escape these devastating situations.

5 The SAFER Act would allow survivors to withdraw up
6 to \$10,000, penalty free, from their retirement plans
7 for a year following domestic abuse and would permit
8 them to replace the funds withdrawn over a period of
9 three years.

10 This provision takes important steps to update
11 retirement policy, empower survivors -- which is so
12 important -- and strengthen the economic security of
13 these families. I am proud to have partnered with
14 survivors and advocates to push this provision forward
15 and am pleased to see inclusion.

16 And finally, Mr. Chairman, I would like to enter
17 these three letters of support into the record from
18 national organizations working to end domestic and
19 sexual violence.

20 The Chairman. I thank my colleague. Is there
21 something you would like to put in the record?

22 Senator Cortez Masto. Yes, please.

23 The Chairman. Without objection, so ordered.

24 [The letters appear at the end of the transcript.]

25 Senator Cortez Masto. Thank you. Thank you, Mr.

1 Chairman.

2 The Chairman. And I want to note, colleague, that
3 what you are basically saying is those who are victims
4 of domestic violence, this is almost like a natural
5 disaster where you can make a penalty-free withdrawal.
6 So, I really appreciate your leadership on this. This
7 is something where you and Senator Cornyn are really
8 going to step up for those who have been victimized by
9 domestic violence, and I commend you for it.

10 All right, next will be Senator Grassley.

1 OPENING STATEMENT OF HON. CHUCK GRASSLEY, A U.S. SENATOR
2 IOWA

3

4 Senator Grassley. Thank you, Mr. Chairman, and
5 Ranking Member Crapo, for moving this way as we are
6 today. I thank also the respective staffs for your hard
7 work in putting together today's markup focused on
8 boosting retirement savings.

9 In 2019, Congress made a number of important reforms
10 to expand and improve access to retirement savings.
11 They did that as part of the SECURE Act. I was pleased
12 to have a hand in the shepherding of that legislation
13 into law as then-chairman of this committee. SECURE was
14 a very important step forward in improving Americans'
15 retirement security. But as we all know, we live in a
16 dynamic economy. As it evolves, so do the retirement
17 needs of workers and employers.

18 The bill before the committee today includes a
19 number of important provisions that build upon the
20 bipartisan success of the SECURE Act. In true
21 bipartisan fashion, the Chairman's mark incorporates
22 many thoughtful retirement-related bills sponsored by
23 members of this committee on both sides of the aisle. I
24 am particularly pleased that the Chairman's mark
25 incorporates the Improving Access to Retirement Security

1 Act, which I authored with Senators Hassan and Lankford.

2 Among other things, the provisions adopted from our

3 bill would expand access to multiple employer plans by

4 allowing tax-exempt organizations to participate.

5 Additionally, these organizations will clarify -- the

6 amendments clarify small employers joining the multi-

7 employer plans, qualify for the Employer Pension Startup

8 Credit. I am also pleased to see the inclusions of two

9 other bills that I am a co-sponsor of that relate to

10 police officers, fire fighters, and other first

11 responders.

12 This includes the Police and Fire Health Care

13 Protection Act introduced by Senators Brown and Thune,

14 which will eliminate an administrative barrier that

15 prevents many first responders from accessing a tax

16 benefit that permits them to pay health care premiums on

17 a pre-tax basis out of pension distributions.

18 It also includes the Protecting America's First

19 Responder Act, authored by Senator Daines, which ensures

20 disabled law enforcement officers and other first

21 responders are not taxed on their disability benefits.

22 However, under the Chairman's mark, this provision does

23 not go into effect until 2028. To correct this, I have

24 joined Senator Thune and Stabenow in filing a fully

25 offset amendment that would enable first responders to

1 begin benefitting from this provision immediately.

2 In closing, thanks again to the Chairman and Ranking
3 Member for putting this markup today, and I look forward
4 to continuing to work with you and other members of the
5 committee to expand access to retirement.

6 The Chairman. Senator Grassley, I just want the
7 record to show that it was almost five years ago when
8 you and I began investigating these conservation
9 easement rip offs, and it has always been a bipartisan
10 effort in this committee. Senator Daines, Senator
11 Stabenow, it has always been Democrats and Republicans
12 saying, look, the vast majority of conservation
13 easements are ideas and approaches we want to encourage.
14 But we have seen a growing number of abuses that are not
15 about protecting land. They are just about protecting
16 tax cheats.

17 So I really appreciate the chance to work with you
18 on it, and I think today we are seeing once again the
19 committee coming together on it. I look forward to
20 getting this passed.

21 Senator Bennet is next. And we heard Senator
22 Lankford talk about some of his work with you.

1 OPENING STATEMENT OF HON. MICHAEL F. BENNET, A U.S.
2 SENATOR FROM COLORADO

3

4 Senator Bennet. And I appreciate very much what he
5 said, and I will say a word about him, too. Thank you,
6 Chairman Wyden, and Ranking Member Crapo for your
7 leadership, and for the strong bipartisan process on
8 this bill. I think it is really, really important.

9 You know, for most of the time that I have been in
10 the Senate almost all of the changes this body has made
11 to the Tax Code have been to benefit the wealthiest
12 Americans and make our income inequality worse. An
13 exception was our work last years on the Child Tax
14 Credit and the Earned Income Tax Credit, which for once
15 made working families our priority.

16 And it was our response to an economy that for 50
17 years has worked extremely well for the top 10 percent
18 of Americans, but has not worked for anybody else, an
19 economy where 90 percent of Americans have not had a
20 real pay raise even as the cost of everything from
21 health care to housing, to higher education, has
22 continued to climb and climb and climb.

23 And the people who come to my town halls, Mr.
24 Chairman, tell me they work incredibly hard, but no
25 matter what they do they cannot afford a middle-class

1 life. They are living paycheck-to-paycheck. They
2 cannot save. The families I used to work for in the
3 Denver Public Schools whose kids are mostly living in
4 poverty, will say that no matter what they do, and they
5 are working two and three jobs, they cannot get their
6 kids out of poverty.

7 This has left a lot of working families hanging by a
8 thread with virtually no margin for error. In fact, a
9 study from the Federal Reserve found that 30 percent of
10 Americans would struggle to cover an emergency expense
11 of \$400. And that was before we had these high levels
12 of inflation in the economy, driving up the cost of
13 everything from gas to groceries, to rent.

14 All of this makes it much harder for working
15 families to save for a rainy day, much less for a secure
16 retirement. Among the poorest 20 percent of Americans,
17 just 1 in 10 have a retirement account. And for the
18 next 20 percent, the rate is 3 in 10. That means if you
19 are looking at the Americans who benefitted the least
20 from our economy over the last 50 years, somewhere
21 between 70 and 90 percent of them are not able to save.
22 That is not the sign of a healthy economy. It is not
23 the sign of an economy that is working for everybody.

24 It is a threat to our democracy when people do not
25 believe they have an opportunity for themselves or their

1 families. So, we have a lot of work to do as a
2 committee and as a Congress and as a country to deal
3 with that.

4 And I know the EARN Act is not a silver bullet. Far
5 from it. But it is a step forward. And I really
6 appreciate it. I am grateful that this legislation
7 includes five bipartisan proposals that I worked on with
8 my Republican colleagues on the committee. My Enhancing
9 Emergency Retirement Savings Act with Senator Lankford
10 would let workers take an emergency withdrawal of up to
11 \$1,000 from their employer-sponsored retirement accounts
12 and IRAs without a penalty, so they can cover unforeseen
13 expenses like a car repair, or a doctor's visit, or a
14 sick kid, without having to take on more debt, or take a
15 hit to their credit score.

16 Two of my bills with Senator Toomey would help
17 public safety officers, people like fire fighters, and
18 police officers, and state and local corrections
19 officers, they work physically demanding jobs, and they
20 often retire early as a result. But when they want to
21 access their retirement funds, they are hit with a
22 penalty. Our bill puts an end to that.

23 I have another proposal with Senator Collins to help
24 the spouses of active-duty service members save for
25 retirement. It does this by giving small employers a

1 tax credit of up to \$500 a year if they make spouses
2 eligible for the employer-sponsored retirement plan.

3 And the last bill I want to mention, Mr. Chairman,
4 is the Compassionate Retirement Act with my friend
5 Senator Burr. It would let people battling terminal
6 illnesses such as ALS access their retirement savings
7 early without penalty. And I am so grateful to my
8 Republican colleagues for working with me on these
9 bills.

10 I want to thank again Chairman Wyden and Ranking
11 Member Crapo for including them in the broader package.
12 I also want to thank them for their leadership on making
13 the Savers Credit fully refundable, which will ensure
14 low-income workers can claim the credit and nearly
15 double the number of people who qualify. All of these
16 provisions respond to the profound and persistent
17 financial insecurity that too many Americans still face
18 in this economy. And while these bills can help, our
19 real ambition should be to build an economy that enables
20 people to not only make ends meet today, but also save
21 for a secure future and turn a better life over to their
22 kids and their grandkids, an economy where every
23 American, not just the wealthiest 10 percent, can earn
24 enough to put something away for a rainy day, and have
25 confidence they can retire with dignity.

1 That should be our level of ambition in this
2 committee and in this Congress, and I am prepared to
3 keep working with any of my colleagues on both sides of
4 the aisle to make sure we deliver it.

5 Thank you, Mr. Chairman, for giving me the
6 opportunity to speak, and I look forward to supporting
7 this bill.

8 The Chairman. Thank you, Senator Bennet. And you
9 are a major author of this bill. You have made
10 significant bipartisan contributions. This is what this
11 committee has always tried to be about with respect to
12 retirement, and I thank you for the good work.

13 All right, Senator Barrasso.

1 OPENING STATEMENT OF HON. JOHN BARRASSO, A U.S. SENATOR
2 FROM WYOMING

3

4 Senator Barrasso. Well, thanks so much, Mr.
5 Chairman, and Ranking Member Crapo, for taking on the
6 responsibility and holding this very important business
7 meeting. Thanks for all your work on this important
8 bill.

9 A secure retirement is an important goal for all
10 Americans. More people save for retirement when their
11 employer provides a retirement plan. Right now, many
12 employees throughout the country do not have access to a
13 workplace retirement plan, especially if they work for a
14 small business.

15 Over half -- only half of the employees at the
16 smallest businesses, those with 50 or fewer employees --
17 have access to a workplace retirement plan. At these
18 small businesses, only about 1 in 3 of the employees
19 actually participate in a plan.

20 Most employers in my home State of Wyoming are small
21 businesses. And the main reason that small businesses
22 are unable to offer plans is the cost and the
23 complexity. Senator Carper and I have worked together
24 to provide another option for these small employers.

25 Our bill, called the Starter K Act lowers costs,

1 simplifies regulations for small employers. It creates
2 a simpler and a streamlined retirement plan option. The
3 result is expanded access to easy retirement savings to
4 more Americans. Our provision is one of many important
5 policies included in this bill, Mr. Chairman, so I look
6 forward to working with you and members of the committee
7 to advance these policies and enhance retirement
8 security for more Americans.

9 Thank you, Mr. Chairman.

10 The Chairman. Thank you, Senator Barrasso.

11 Let's see. We heard from -- Senator Thune is next.

1 OPENING STATEMENT OF HON. JOHN THUNE, A U.S. SENATOR
2 FROM SOUTH DAKOTA

3

4 Senator Thune. Mr. Chairman, thank you and Ranking
5 Member Crapo for holding this executive session to
6 consider legislation, which is known as the EARN Act,
7 which helps assist Americans in planning and saving for
8 retirement.

9 Americans today struggle to put away money for
10 retirement for a number of reasons, one of those reasons
11 being record high inflation that is eating into
12 families' pocketbooks. As a greater percentage of
13 workers' paychecks go toward everyday essentials like
14 groceries to feed their families and gas to fill up
15 their cars, there is less money available for retirement
16 and savings.

17 According to a BMO Real Financial Progress Index
18 Survey that was released at the end of last month, more
19 than one-third of Americans have reduced the amount of
20 money they are putting into savings, and 21 percent have
21 reduced their retirement contributions. And,
22 unfortunately, there does not appear to be any immediate
23 end in sight to these high levels of inflation. In
24 turn, the burden it is placing on families across the
25 nation.

1 And that is why, in light of this uncertainty, I
2 believe it is particularly timely for this committee to
3 consider proposals to incentivize and make it easier for
4 Americans to financially prepare for their futures and a
5 safe retirement. I support several provisions of this
6 legislation such as increasing the required minimum
7 distribution age to 75 and allowing older workers to
8 contribute more to the retirement through higher catch-
9 up contributions.

10 I would also like to thank Chairman Wyden and
11 Ranking Member Crapo for including the Police and Fire
12 Health Care Protection Act which I introduced with
13 Senators Brown, Grassley, and Warner last month into the
14 package. This bipartisan legislation removed an overly
15 burdensome requirement on retirement plans that has
16 served as an impediment to retired first responders
17 being able to exclude from their gross income qualifying
18 insurance premiums up to \$3,000 per year.

19 Under current law, retirement plans are required to
20 make direct payments to health insurance providers in
21 order for the first responder retirees to qualify for
22 the \$3,000 tax exclusion. However, because this direct
23 payment requirement is challenging, it is sometimes
24 impossible for retirement plans to administer, and I
25 would include in that our South Dakota retirement

1 system.

2 Our provision would allow retirement plans to,
3 instead, make a disbursement to plan -- I should say to
4 the retiree and allow the retiree to transmit the
5 payment to the health insurance provider, all the while
6 qualifying for the tax benefit.

7 The removal of this direct payment requirement would
8 ensure that retired first responders are able to access
9 the tax benefit they deserve, while alleviating pressure
10 on retirement plans. In addition to this provision, I
11 am also pleased that this bill includes expanding the
12 availability of ESOPs by S corporations.

13 I have been supportive of this effort over the
14 years, as I believe it is a common-sense approach to
15 boost workers' retirement savings while simultaneously
16 allowing workers to have partial ownership in the
17 business in which they are employed.

18 Today's markup of this legislation is an important
19 step toward helping Americans save for retirement, and I
20 look forward to its consideration.

21 With that, I will turn it back over to you, Mr.
22 Chairman.

23 The Chairman. Thank you, Senator Thune. And both
24 of the areas that you have focused on -- the Retired
25 First Responders and the ESOP issue -- in my view are

1 really critical to our building this kind of savings
2 ethic we want. The Retired First Responders, that is a
3 basic justice and fairness issue. And ESOPs we know are
4 taking off from sea to shining sea, because people like
5 the idea of coming together and growing these
6 businesses. So, I appreciate your contribution.

7 Senator Stabenow, who I would note has been one
8 extremely busy Senator. After working on the gun safety
9 legislation, the commonsense gun safety legislation, and
10 working on the mental health issues, she has also
11 contributed significantly to our getting conservation
12 easement reform, protecting the good conservation
13 easements and making sure these rip-off artists are not
14 continuing to drain taxpayers of scarce resources.

15 Senator Stabenow, please comment.

1 OPENING STATEMENT OF HON. DEBBIE STABENOW, A U.S.
2 SENATOR FROM MICHIGAN

3
4 Senator Stabenow. First, thank you, Mr. Chairman.
5 And on that note, as we are now working on gun safety
6 and on a significant, really transformative mental
7 health investment, I just want to thank you, and I want
8 to thank our Ranking Member Senator Crapo, as well as
9 both of you and your staffs who have been invaluable as
10 we have been moving forward to really create
11 comprehensive community services that treat mental
12 health and addiction as health care. So thank you both
13 very, very much for doing that.

14 And also it has been a pleasure to work with Senator
15 Daines on the issue of conservation easements. And I
16 will not go into all the provisions on the bill which I
17 think are absolutely excellent. I just want to thank
18 senator Cardin and Senator Portman for their leadership.
19 It has been a lot of work putting this together. It is
20 going to be good for people, and I am looking forward to
21 supporting the bill.

22 The Chairman. Thank you, Senator Stabenow. And
23 also, I would like to note that your contribution, along
24 with Steve Daines -- Congress -- Senator Daines, also
25 are complemented with Senator Grassley, so it has always

1 been bipartisan and always been protecting the good
2 conservation easements and making sure that tax cheats
3 are not taking advantage of this provision.

4 All right, let's see if we have any other
5 colleagues. I don't see Senator Cantwell. I would now
6 ask Tom Barthold to describe the Chairman's Mark and
7 modification.

8 Mr. Barthold. Thank you, Chairman Wyden, and
9 Ranking Member Crapo, and members of the committee.

10 You have before you four Joint Committee documents,
11 two of them in this big binder since the bill, as many
12 members have noted, is fair substantial in its breadth.
13 And then JCX-11 and JCX-12, which describe the four
14 modifications that the Chairman's Modification to the
15 legislation would make.

16 I will pick, as the members have enumerated and
17 described many of the provisions affecting saving
18 opportunities in the bill, I will take just a couple of
19 moments to note that, one, the bill is fully offset. As
20 estimated by my colleagues on the staff, over the 10-
21 year budget period the legislation, as modified by the
22 Chairman's modification, would have a modest net surplus
23 of \$144 million over the 10-year budget planning period.

24 That is cheap by primarily three revenue offsetting
25 provisions which the members did not discuss in their

1 remarks, so let me just briefly identify those, along
2 with the four modifications that the Chairman's
3 Modification makes.

4 The three offsets relate to treatment of
5 contributions to defined contribution plans, as Roth
6 Contributions, as opposed to the traditional pre-tax
7 contributions.

8 So, the first item would say that simplified
9 employer pension plans, the SEPs and simple IRA plans
10 would be permitted to be designated as Roth IRAs. And
11 that would mean that the contributions to those plans
12 would go in on an after-tax basis, rather than a pre-tax
13 basis as is the case under present law. That provision
14 would be effective after 2023.

15 Defined Contribution Plans are permitted to allow
16 individuals aged 50 and over to make catch-up
17 contributions, as was noted by some of the members. And
18 the catch-up contributions would be required in those
19 plans to be Roth contributions. Again, so that means on
20 an after-tax basis rather than a pre-tax basis. And
21 that would be also effective for contributions in years
22 after 2023.

23 And then the third provision that is offered as a
24 substantial offset relates to employer non-elective
25 deferrals and employer matches. The employee would be

1 given the option to designate the employer's
2 contributions as Roth contributions. So again on an
3 after-tax basis rather than a pre-tax basis. And this
4 is a provision that is modified by the Chairman's
5 modification. This provision, as modified, would be
6 effective for years after 2022. So, starting this
7 coming January.

8 The other three modifications in the Chairman's
9 Modification, the first relates to the provision that
10 provides for special additional catch-up contributions
11 by taxpayers aged 60, 61, 62, or 63. Under present law,
12 generally taxpayers over age 50, as I just noted, may
13 make catch-up contributions of up to \$6,500. This
14 provision would increase that special contribution for
15 taxpayers aged 60, 61, 62, 63, to \$10,000. And as
16 modified by the Chairman's Modification, this provision
17 would be effective in years after 2024.

18 The Chairman's Modification also would amend Title
19 31 of the United States Code relating to management of
20 the public debt to facilitate states locating owners of
21 matured, unclaimed savings bonds. That is a non-tax
22 provision.

23 And then lastly, a provision that was noted by
24 Senator Casey relates to ABLE accounts. Under present
25 law, ABLE accounts are exempt savings accounts to which

1 individuals may make contributions. The benefits and
2 distributions of which are for the benefit of a disabled
3 person. The distributions from those accounts are
4 excludable from tax if they are for the qualifying
5 purposes. Under present law, the disability must be
6 established before the individual beneficiary reaches
7 age 26. The amendment in the Chairman's Modification
8 would change that to the disability must be identified
9 and certified before age 46.

10 Mr. Chairman, Members, that concludes my brief
11 description of the Modification. I am happy to answer
12 any questions about the Modification or the underlying
13 mark.

14 The Chairman. Mr. Barthold, I said it before in
15 this hearing room, but we so appreciate your
16 professionalism and that of your staff. Year after year
17 you have been willing to give us straight, objective
18 analyses of the issues, and doing it on a nonpartisan
19 basis is absolutely crucial. So we thank for your long
20 time professionalism.

21 Colleagues, I am going to recognize colleagues to
22 ask any questions they have of Mr. Barthold and the
23 staff. I would also like to note that Mr. Barthold
24 said, and this was a little bit ago, but it ought to be
25 noted that this bill, colleagues, is fully paid for.

1 Let me repeat that. It is fully paid for. Let's
2 have questions for colleagues. I want to recognize any
3 who may have questions. Senator Cardin?

4 Senator Cardin. Thank you, Mr. Chairman. I do want
5 to underscore the points you have made about staff. We
6 all are in much better shape today in not only the
7 policies but understanding what is in this bill, and I
8 want to thank the staff that is before us at this desk
9 for their extraordinary work. And I want to thank Ron
10 Storhaug of my staff for the work that he has done so
11 that we can make this meeting so productive and so
12 efficient.

13 I want to -- and I appreciate the fact this is fully
14 paid for. That is something we need to do. It does not
15 mean I am happy by the way we paid for it, but I
16 understand it is fully paid for.

17 So let me just understand the impacts of first
18 requiring the catch-up contributions to be made on a
19 Roth basis. These are generally older people that are
20 putting the catch-up contributions in. They have to
21 reach a certain age. Am I correct that the selection of
22 a Roth account versus the traditional is usually done by
23 younger people?

24 Mr. Barthold. Senator Cardin, Roth accounts and the
25 availability of Roth accounts is relatively recent in

1 the defined contribution -- defined contribution world.
2 And there has been greater adoption in younger firms,
3 and by younger people. Part of that is probably from
4 inertia in that a person such as my age, when they
5 started in the defined contribution plan, the only
6 option you had was the traditional plan. And so there
7 has been inertia.

8 And so, it is the case that the distribution of
9 account holders in Roth as opposed to non-Roth tends to
10 be a little older and traditional, a little younger in
11 Roth. But that is changing through time as more and
12 more employers adopt Roth options.

13 Senator Cardin. I understand that. I remember some
14 discussions with financial planners where they say that
15 the younger the worker, the more attractive it is to
16 recommend that they go into -- that they have an option
17 to go into a Roth versus the traditional.

18 I mention that because I think it does diminish the
19 benefits of the catch-up contributions, but I recognize
20 the realities of the revenues that are involved here.
21 But I just really wanted to get your view on that.

22 The second point, why would an employee worker
23 choose for an employer to make the match in a Roth
24 versus traditional, considering that it would change the
25 tax status of the contribution made by the employer?

1 Mr. Barthold. Well, Senator Cardin, it is an
2 economic decision. If the employee looks ahead; they
3 may have a projection of what their income will be and
4 what their tax liability might be in the future. And
5 that might motivate a choice to have a Roth account in
6 which case distributions are exempt from tax as opposed
7 to a traditional account which would be subject to tax.

8 It could also be an issue of current cash flow and
9 current tax situation. It may be a choice between a
10 Roth account and a traditional account in terms of
11 managing current year tax liabilities.

12 Senator Cardin. So, if the employer's contribution
13 is taken as a Roth, that would come out later as a non-
14 taxable event, the principal amount would come
15 out ----

16 Mr. Barthold. And the earnings, sir.

17 Senator Cardin. Right. I am just trying to
18 understand why this gets scored for ----

19 Mr. Barthold. Oh, in terms of -- okay. So, the
20 effect is, if some people, if we either require that the
21 contributions be Roth, as is the case in a couple of the
22 offsets, or if it is at the election of the employee as
23 it is in another one of the offsets, it is usually an
24 individual who, absent making this choice, would have
25 made the catch-up contribution, for example, as a

1 traditional contribution. If it is a traditional
2 contribution, their current income would be less. And
3 so, the baseline receipts in terms of how we undertake
4 these estimates for budget reporting purposes, means
5 that baseline receipts would not reflect any income tax.

6 If we then say -- if we then elect and say, oh, make
7 this catch-up contribution a Roth contribution, the
8 employee is electing to have that amount of funds
9 included in their current year income, subject to income
10 tax. And so, income tax receipts now are higher than we
11 had projected that they would be.

12 That is also a long-run analysis in terms of what
13 that does based on age and over the 10-year period, and
14 then beyond in terms of what happens to the
15 distributions in terms of their inclusion. But the
16 effect is, you are replacing deductible contributions
17 with taxable contributions. And that has the effect of
18 raising revenues in the budget window.

19 Senator Cardin. Understood. Thank you, Mr.
20 Chairman.

21 The Chairman. I thank my colleague. Senator
22 Portman -- if we could, Senator Brown is really under
23 the gun with respect to his Banking Committee, and I
24 know you and he have been doing wonderful work on SSI.
25 Do you have a quick question and then we can go to

1 Senator Brown? Because I know both of you have been
2 working ----

3 Senator Portman. The one question I have is on the
4 Minimum Distribution Rules that are in the bill. It is a
5 significant part of it. We take the age from 72 to 75
6 over time, and I think it is very popular among --
7 because we hear from people all the time who are still
8 working in their 70s and wondering why do I have to pay
9 taxes and withdraw my retirement account?

10 When you did your analysis of that on the revenue
11 impact, did you take into account the possibility that
12 this might encourage people to work longer?

13 Mr. Barthold. We did not specifically look at labor
14 supply effects, as most of the analysis of this bill is
15 done substantially on a micro economic basis. And that
16 takes the Congressional Office macro-economic baseline,
17 including labor force participation, as sort of a given
18 over the 10-year period.

19 It would be a factor to look at in a macro economic
20 analysis, but that was not a part of the analysis that
21 we presented here, Senator Portman.

22 Senator Portman. Thank you. And thanks for all
23 your hard work.

24 The Chairman. Thank you, Senator Portman. Senator
25 Brown has been doing extraordinary work on a hugely

1 important issue, and that is SSI, which we know is a
2 lifeline for millions of Americans. And he is trying to
3 update the program.

4 Senator Brown, I think you and Senator Portman are
5 going to talk.

6 Senator Brown. Thank you, Mr. Chairman. Thanks to
7 my colleague from Ohio for the work that he has done on
8 that, too, and Senator Crapo thanks for your hard work,
9 you and the Chair, on this legislation overall.

10 When work has dignity, it means workers can put
11 money away for a rainy day. It means they can save for
12 a safe and secure retirement. The whole idea of this
13 bill. And I am proud to support the underlying bill.

14 I prepared an amendment which I will withdraw
15 dealing with SSI, the Supplemental Social Security
16 Income Program. Next month marks the 50th anniversary
17 of SSI. It is a critical lifeline for 8 million -- 8
18 million -- Americans. It has been almost 40 years since
19 the program's rules were updated. As a result, a
20 program that was originally intended to lift people out
21 of poverty now consigns people to it. It does not make
22 sense to punish people for saving for emergencies, but
23 that is what has happened under current law, which is
24 why we have a bipartisan bill to increase the asset
25 limits to where they would be today had they been

1 indexed from the start.

2 It was my hope that we could include an increase to
3 SSI's asset limits in today's markup. SSI's asset
4 limits have been called, quote, "the most regressive
5 anti-savings measure in federal law," unquote. A bill
6 intended to help people save should not leave people out
7 who rely on SSI, period.

8 I thank my colleagues, Senators Wyden and Cassidy
9 and Casey and Scott and Hassan and Collins, all but
10 Senator Collins on this committee, for working with me
11 to fix it. And, Senator Portman, I thank you
12 particularly for leading the charge on the Republican
13 side.

14 As I have heard Senator Portman say, conservatives
15 should support people who want to achieve independence.
16 That is exactly what this bill helps them to do. I
17 appreciate my Ohio's colleague's commitment to getting
18 this done by the end of the year. I look forward to
19 working with all of my colleagues, especially Senators
20 Wyden and Crapo and Portman, to make that happen.

21 I believe my friend, Senator Portman, who suffered a
22 rare but a gracious softball defeats last night for
23 probably the first time ever at the hands of a blue
24 collar worker and the blue collar team, from the other
25 part of the state, has some additional thoughts on SSI.

1 The Chairman. This is going to be interesting.

2 [Laughter.]

3 The Chairman. Senator Portman?

4 Senator Portman. Not only did they beat us, they
5 beat us pretty handily until like the 8th inning when we
6 finally came back a little bit, but it was a spirited
7 game.

8 Yes, look, thank you for your leadership on this SSI
9 issue. I think adjusting the asset limits for the first
10 time in 40 years is overdue, and that is why I joined
11 you in this savings penalty elimination act. Raising
12 the asset threshold has a lot of support because
13 adjusting the cap for inflation is going to do more to
14 encourage private savings, which is what the underlying
15 bill is about as well.

16 I think it is one reason we have so much bipartisan
17 support for the Cardin-Portman and what we have done
18 over the years. People want to increase savings.
19 Raising the SSI threshold also does help people achieve
20 independent. As you have said, we should not punish
21 people for socking away savings.

22 By the way, conservative economist Andrew Biggs at
23 the American Enterprise Institute recently endorsed this
24 legislation for that reason. It is also I think why
25 Republicans Bill Cassidy, Tim Scott, and Susan Collins

1 have joined us in this effort.

2 So, I understand there is a concern that this
3 originally fell outside the scope of this markup. We
4 are going to find other opportunities to address this
5 issue, and we will continue to find ways to do so. I
6 believe raising these limits, again, is overdue. And I
7 believe this is the year to do it. So, I will continue
8 to work with you, Senator Brown, and our other
9 colleagues to try to get this done this year.

10 The Chairman. Thank you, Senator Portman. And we
11 are going to move on. We are getting ready to vote. I
12 just think that people ought to realize what Senator
13 Brown and Senator Portman are talking about is getting a
14 reform of a law that says that people who receive SSI
15 could have their benefits cut if they decide to try
16 working and making an income, save for emergencies,
17 marry the one they love.

18 These are ridiculous, outdated rules that are hardly
19 extravagant that Senator Brown and Senator Portman are
20 talking about. I look forward to working with both of
21 you to get this important bill over the finish line.

22 Senator Burr?

23 Senator Burr. Thank you, Mr. Chairman. Mr.
24 Chairman, I am going to call up Burr Number One, one I
25 intend to offer, and withdraw. But let me say to my

1 distinguished colleagues, this is probably the most
2 common-sense amendment that we should adopt.

3 We are in a retirement hearing where we encourage
4 individuals to save for later in life. And I want to
5 thank Senator Hassan and Senator Casey for being co-
6 sponsors. We ask young families in this country, when
7 they start to have children, to set up a 529 account to
8 prepare for the educational realities that we have all
9 faced.

10 In some cases, their path changes over the years.
11 Kids get scholarships. Kids choose a community college
12 over a four-year institution. Kids choose not to go
13 because of skills-based job opportunity that they have
14 got. And a 529 sits there funded. And there is one
15 option. Remove the money and pay a 10 percent penalty,
16 as well as ordinary income tax, or the money sits in
17 there until it might be transferred to a spouse upon
18 death.

19 I would only suggest to us that this is probably a
20 ridiculous option that we have given people. What my
21 amendment would do, it would allow individuals who no
22 longer need the 529 for the education of their children
23 to transfer from the 529 account to a Roth IRA with the
24 requirements that it cannot exceed the \$6,000 under tax
25 law for individuals under 50, or \$7,000 for those over

1 50, in any given year.

2 So, for some who might have been informed by staff
3 that this is a huge loophole to allow high-wealth
4 individuals to exercise a Roth IRA, this is not correct.
5 It is creating an additional incentive for savings to go
6 towards retirement. And the only reason that I offered
7 and withdraw today is that even joint tax screwed up an
8 estimate on the cost of this. Think about what we are
9 doing.

10 We are moving from one to another account, and for
11 some reason they say it scores over a billion dollars.
12 The only way they can get there is if that many people
13 are pulling out of their 529s and paying the 10 percent
14 penalty. And I think if you look at the total numbers,
15 I am not sure how they could ever get there.

16 So, I think we are going to go back and we are going
17 to try to make sure that their understanding of the
18 amendment was correct. But I want to say to my
19 colleagues, not to address the 529s is a huge mistake,
20 because this is a tremendous opportunity for the
21 individuals to either transfer to their savings
22 requirements, or potentially to transfer to their
23 children's Roth IRA, with the same limitations on an
24 annual basis of \$6,000 or \$7,000 depending upon age that
25 falls into law today.

1 So, Mr. Chairman, I withdraw my amendment, with the
2 hope that the committee and the committee staff will
3 work with us between now and the time that we finally
4 get to a Floor process, to where possibly this can be
5 included. Because I think it lives within the spirit of
6 everything that we are here trying to do today, and that
7 is to encourage retirement savings. But also, if in
8 fact this change enhances people's willingness to do 529
9 accounts, then that is a great thing for the savings
10 that we are attempting to do here.

11 With that, I would yield to the Chair.

12 Senator Crapo. Mr. Chairman?

13 The Chairman. Senator Crapo.

14 Senator Crapo. Mr. Chairman, and to Senator Burr,
15 frankly to Senator Burr and Senator Casey, and to
16 Senator Hassan, I thank you all for your hard work and
17 leadership on this issue. This is an important issue
18 that we do need to deal with.

19 Just to give you a little bit of the background --
20 and I appreciate your willingness to withdraw the
21 amendment at this point in time -- the background on
22 this is the House passed its version, which was a \$38
23 billion bill, which was fully offset. And the price tag
24 as well as the offset are also important. And so we,
25 Senator Wyden and I, have been -- we have agreed to

1 expand our price tax up to \$45 billion, which will also
2 be totally offset today. But in order to meet those
3 targets, we have had to tell a lot of our colleagues
4 that we need to figure out how to deal with the cost of
5 their proposals before we can fit them into the bill
6 today.

7 And I appreciate you being understanding of that,
8 Senator Burr. And I know you have been going back and
9 forth with JCT on the score issues. I commit, and I
10 know Senator Wyden agrees with this, but we will work
11 with you to try to get there as we move forward because
12 the proposal you have here is a very critically
13 important proposal, and I am happy to work with you as
14 we move forward.

15 I also think the other members of the committee who
16 have been so gracious about dealing with us on this,
17 these restrictions, and so thank you, Senator Burr.

18 Senator Burr. And, Mr. Chairman, if I could say to
19 you and the Ranking Member, if for any reason throughout
20 this process people believe that the current IRS
21 regulations about limitations into a Roth IRA would not
22 ease their concerns of people dumping money into it,
23 then for goodness sakes let's at least allow parents to
24 take the money out if they no longer have kids at the
25 age of need for education dollars without the penalty

1 and paid the ordinary income tax on the earnings.

2 I am not sure that enhances the savings aspect of
3 what we are here to do, but it is a hell of a lot fairer
4 for the parents. And I want to make sure that as many
5 parents out there set up 529s to begin to save money for
6 that education that is going to be vitally needed.

7 Thanks.

8 The Chairman. Senator Burr, I believe you and
9 Senator Hassan are raising important issues here. And
10 Senator Crapo and I will work with both of you to get
11 this resolved.

12 All right, we are at 11:30. A quorum for the
13 purpose of conducting business under Committee Rule 4 is
14 present, I believe. That being the case, the
15 Modifications hereby incorporated into the Chairman's
16 Mark and the Chairman's Mark as Modified, is open to
17 amendment. And we are going to recognize Senator Daines
18 now for offering his amendment.

19 Senator Daines. Mr. Chairman, thank you. I would
20 like to call up Daines-Stabenow-Grassley Amendment
21 Number One. I spoke about this amendment during my
22 opening statements earlier. So in lieu of describing it
23 again, I want to thank Senators Stabenow and Grassley
24 for co-sponsoring this amendment. And I want to thank
25 Chairman Wyden for his long history of working this

1 issue and support.

2 Mr. Chairman, I look forward to getting this passed.

3 Senator Crapo. Mr. Chairman?

4 The Chairman. Senator Crapo.

5 Senator Crapo. Thank you, Mr. Chairman. And I want
6 to thank Senator Daines for the excellent work that he
7 has done on this. As has already been stated here, the
8 issue that you raise is very critical that we need to
9 deal with.

10 For the same reasons that I just discussed with
11 Senator Burr, this bill would push the price tag of this
12 -- or this amendment would push the price tag of this
13 bill beyond that which we had been trying to maintain.

14 The House was able to get a 414-to-whatever it was,
15 vote, and that was based on the bipartisanship on the
16 level of the score they could receive as they tried to
17 build their bill. And we want to try to maintain that
18 kind of strong bipartisan vote, which is why we have
19 agreed on the limits they have made.

20 So, for that reason, I will be voting no. But I
21 want to commit to you that, should this amendment pass,
22 I will continue to work with you to try to address these
23 cost issues and address the problems that we need to
24 seriously achieve solutions to here.

25 There are some groups that suggest there may need to

1 be some further massaging of the text of the bill, as
2 well, and I commit to work with you on that as well.

3 The Chairman. Senator Portman -- we will have
4 Senator Portman, Senator Brown, and Senator Stabenow. A
5 roll call vote has been requested on this. After those
6 three are done, we will go to the roll call vote.

7 Senator Portman?

8 Senator Portman. First let me commend Senator
9 Daines for the legislation. And I agree with the
10 aspects of it. One is accelerating the date to fix the
11 disability compensation for first responders. That is,
12 again, overdue and we need to do it.

13 And also taking a major step toward the long-
14 standing abuse of conservation easements. The abuse has
15 got to end, and a bunch of you have worked on that.
16 Senator Stabenow and others, and I appreciate that.
17 Senator Grassley, Senator Wyden.

18 What I am concerned about is, as Senator Daines
19 knows, is on the Historic Preservation Easements. And
20 this is very important to a lot of our states. It is
21 really important to Ohio. We have got a lot of older
22 properties, a lot of older cities, and it is incredibly
23 important to us to have these conservation easements.
24 They have been critical in economic development of
25 historic buildings in our cities that often sit empty

1 and neglected. And Historical Preservation Easements
2 help revitalize our communities. They preserve history,
3 among other things, but also create a lot of jobs in
4 housing and economic growth in areas where these
5 properties are revitalized.

6 By the way, we use the Historic Preservation
7 Easements along with Opportunity Zones in Ohio a lot
8 now. So again, I support the intent of this
9 legislation, but I have real concerns about the Historic
10 side of it. I do not think it is the intent of the
11 amendment, but it is written. I believe that it
12 threatens the use of Historic Preservation Easements,
13 not just in Ohio but nationwide.

14 So, understanding that this likely to pass, I am
15 going to vote no for that reason and hope we can work
16 out that issue, should we move forward with the
17 legislation. Thank you, Mr. Chairman.

18 The Chairman. Thank you, Senator Portman. We will
19 go to Senator Brown, and then to Senator Stabenow.

20 Senator Brown. Thank you. Quickly, and with
21 respect to the Daines amendment, I support the
22 underlying policy, as Senator Crapo and Senator Portman
23 point out. I am going to support the amendment because
24 I want to support the first responders and want to crack
25 down on tax cheats who are abusing the Conservation

1 system. But I, like Senator Portman, remain concerned
2 this amendment could hurt legitimate use of tax breaks
3 for Historic Preservation. Nobody wants to
4 inadvertently hamper our efforts to increase affordable
5 housing. Senator Daines and I both sit on the Banking
6 and Housing Committee. I am afraid that might be what
7 we are doing with this amendment. So I will be working
8 with Senator Daines and Senator Crapo and Stabenow and
9 Portman and the Chair to address these concerns after
10 this bill is approved.

11 The Chairman. Thank you, Senator Brown. Senator
12 Stabenow?

13 Senator Stabenow. Well, thank you very much, Mr.
14 Chairman. And this is really a win/win, I believe. It
15 has been great working with Senator Daines and Senator
16 Grassley. It expands relief for disabled responders,
17 and it pays for that relief by shutting down abusive tax
18 shelters. We have addressed concerns that have been
19 raised from the original bill we introduced, and I think
20 this is a very positive bill moving forward.

21 Conservation Easements have helped our farmers and
22 our ranchers and landowners to conserve tens of millions
23 of acres of natural land. However, some have abused
24 these Easements as tax shelters, costing taxpayers tens
25 of billions of dollars.

1 So, Mr. Chairman, Senator Daines, and Grassley and I
2 have worked on this. I know you have worked on this
3 extensively as well, and I thank you. This is an
4 opportunity to do something that is important on policy,
5 and also the use of funds in the bill to pay for
6 something very important and close a loophole and help
7 our disabled first responders. So to me it is a win/win
8 and I would urge support of my colleagues.

9 The Chairman. I thank my colleague for her good
10 work. A roll call vote has been requested. The Clerk
11 will call the roll.

12 The Clerk. Ms. Stabenow?

13 Senator Stabenow. Aye.

14 The Clerk. Ms. Stabenow, aye. Ms. Cantwell?

15 Senator Cantwell. Aye.

16 The Clerk. Ms. Cantwell, aye. Mr. Menendez?

17 The Chairman. Aye by proxy.

18 The Clerk. Mr. Menendez, aye by proxy. Mr. Carper?

19 Senator Carper. Aye.

20 The Clerk. Mr. Carper, aye. Mr. Cardin?

21 Senator Cardin. Aye.

22 The Clerk. Mr. Cardin aye. Mr. Brown?

23 The Chairman. Aye by proxy.

24 The Clerk. Mr. Brown, aye by proxy. Mr. Bennet?

25 Senator Bennet. Aye.

1 The Clerk. Mr. Bennet, aye. Mr. Casey?
2 Senator Casey. Aye.
3 The Clerk. Mr. Casey, aye. Mr. Warner?
4 Senator Warner. Aye.
5 The Clerk. Mr. Warner, aye. Mr. Whitehouse?
6 Senator Whitehouse. Aye.
7 The Clerk. Mr. Whitehouse, aye. Ms. Hassan?
8 Senator Hassan. Aye.
9 The Clerk. Ms. Hassan, aye. Ms. Cortez Masto?
10 Senator Cortez Masto. Aye.
11 The Clerk. Ms. Cortez Masto, aye. Ms. Warren?
12 The Chairman. Aye by proxy.
13 The Clerk. Ms. Warren, aye by proxy. Mr. Crapo?
14 Senator Crapo. No.
15 The Clerk. Mr. Crapo, no. Mr. Grassley?
16 Senator Grassley. Aye.
17 The Clerk. Mr. Grassley, aye. Mr. Cornyn?
18 Senator Cornyn. Aye.
19 The Clerk. Mr. Cornyn, aye. Mr. Thune?
20 Senator Thune. Aye.
21 The Clerk. Mr. Thune, aye. Mr. Burr?
22 Senator Burr. No.
23 The Clerk. Mr. Burr, no. Mr. Portman?
24 Senator Portman. No.
25 The Clerk. Mr. Portman, no. Mr. Toomey?

1 Senator Crapo. Aye by proxy.

2 The Clerk. Mr. Toomey, aye by proxy. Mr. Scott?

3 Senator Crapo. Aye by proxy.

4 The Clerk. Mr. Scott, aye by proxy. Mr. Cassidy?

5 Senator Crapo. No by proxy.

6 The Clerk. Mr. Cassidy, no by proxy. Mr. Lankford?

7 Senator Lankford. Aye.

8 The Clerk. Senator Lankford, aye. Mr. Daines?

9 Senator Daines. Aye.

10 The Clerk. Mr. Daines, aye. Mr. Young?

11 Senator Young. No.

12 The Clerk. Mr. Young, no. Mr. Sasse?

13 Senator Sasse. Aye.

14 The Clerk. Mr. Sasse, aye. Mr. Barrasso?

15 Senator Crapo. Aye by proxy.

16 The Clerk. Mr. Barrasso, aye by proxy. Mr.

17 Chairman?

18 The Chairman. Aye.

19 The Clerk. Mr. Chairman votes aye.

20 The Chairman. The Clerk will report.

21 The Clerk. Mr. Chairman, the final tally is 23
22 ayes, 5 nays.

23 The Chairman. The Daines amendment is adopted.

24 Other colleagues?

25 [Pause.]

1 The Chairman. Senator Whitehouse?

2 Senator Whitehouse. Mr. Chairman, would I be in
3 order right now?

4 The Chairman. Yes. Please.

5 Senator Whitehouse. Thank you very much. I would
6 offer and withdraw and amendment, but I wanted to have a
7 short colloquy with the Chairman. I will just make a
8 brief statement first.

9 Nearly half of American workers have no personal
10 retirement savings at all. Given workers' stagnant
11 wages in this country, that should come as no surprise.
12 Wages have grown at a snail's pace, while CEO pay and
13 corporate profits grew leaps and bounds. It is no
14 surprise that half of Americans said in a recent survey
15 they could not afford a \$500 emergency medical expense,
16 let alone save in a retirement account.

17 This legislation offers some modest measures to help
18 more people save, but ultimately, we should reform what
19 is an upside down system that benefits the wealthy more
20 than hard-working Americans. It leaves out,
21 unfortunately, Chairman Neal and Ranking Member Brady's
22 common sense bipartisan auto-enrollment provision, even
23 though those with access to retirement plans through
24 their employer often struggle to build a nest egg that
25 can maintain their standard of living in retirement.

1 Auto-enrollment would be a big boost in
2 participation. Auto-enrollment would increase
3 participation in 401K plans by 80 percent and increase
4 contributions by 50 percent. It especially boosts
5 participation among low-wage workers and can nearly
6 eliminate the racial gap in participation rates.

7 Despite all of those values, only one-third of
8 employers currently offer auto-enrollment. So I have
9 legislation to require all employers to offer auto-
10 enrollment. The bipartisan provision advanced by our
11 House colleagues, which I would offer and withdraw as an
12 amendment, would take an important step in that
13 direction.

14 I am disappointed also it does not include the
15 Brown-Portman proposal to raise the outdated SSI asset
16 limits. That change would remove the biggest barrier to
17 saving for the nearly 8 million elderly and disabled
18 Americans, including over 31,000 Rhode Islanders with
19 very low incomes and limited resources who currently
20 receive SSI.

21 I would urge that these provisions be included in
22 the final legislation. The auto-enrollment expansion
23 was voted unanimously out of the House Ways and Means
24 Committee and cleared the House 414 to 5. It is a
25 priority for AARP, and it has found support with the

1 American Enterprise Institute. It is clearly broadly
2 supported. I look forward to continuing to work with
3 Chairman Wyden and Ranking Member Crapo to ensure that
4 these important measures are included in the final bill.

5 Mr. Chairman, I know that you understand the
6 importance of expanding automatic enrollment. Will you
7 continue to work with me to ensure that this common-
8 sense bipartisan provision is included in the final
9 bill?

10 The Chairman. The answer is yes, Senator Whitehouse.
11 You have raised very important concerns. I understand
12 the impact of auto enrollment in increasing
13 participation in retirement plans and helping families
14 save more. I have seen its success first-hand in Oregon
15 with the Oregon Save Program. I fully support your
16 amendment and commit to working with you to include it
17 in the final legislation.

18 Senator Whitehouse. I am grateful to you, Chairman,
19 and look forward to working with all my colleagues to
20 get this accomplished. Thank you.

21 The Chairman. Thank you. I note that 15 members
22 are present. I move that the Chairman's Mark as
23 modified and amended be reported favorably. Is there a
24 second?

25 Senator Whitehouse. Second.

1 The Chairman. The Clerk will call the roll.

2 The Clerk. Ms. Stabenow?

3 Senator Stabenow. Aye.

4 The Clerk. Ms. Stabenow, aye. Ms. Cantwell?

5 Senator Cantwell. Aye.

6 The Clerk. Ms. Cantwell, aye. Mr. Menendez?

7 The Chairman. Mr. Menendez, aye by proxy.

8 The Clerk. Mr. Menendez, aye by proxy. Mr. Carper?

9 Senator Carper. Aye.

10 The Clerk. Mr. Carper, aye. Mr. Cardin?

11 Senator Cardin. Aye.

12 The Clerk. Mr. Cardin, aye. Mr. Brown?

13 The Chairman. Aye by proxy.

14 The Clerk. Mr. Brown, aye by proxy. Mr. Bennet?

15 Senator Bennet. Aye.

16 The Clerk. Mr. Bennet, aye. Mr. Casey?

17 Senator Casey. Aye.

18 The Clerk. Mr. Casey, aye. Mr. Warner?

19 Senator Warner. Aye.

20 The Clerk. Mr. Warner, aye. Mr. Whitehouse?

21 Senator Whitehouse. Aye.

22 The Clerk. Mr. Whitehouse. Aye. Ms. Hassan?

23 Senator Hassan. Aye.

24 The Clerk. Ms. Hassan, aye. Ms. Cortez Masto?

25 Senator Cortez Masto. Aye.

1 The Clerk. Ms. Cortez Masto, aye. Ms. Warren?

2 The Chairman. Aye by proxy.

3 The Clerk. Ms. Warren, aye by proxy. Mr. Crapo?

4 Senator Crapo. Aye.

5 The Clerk. Mr. Crapo, aye. Mr. Grassley?

6 Senator Grassley. Aye.

7 The Clerk. Mr. Grassley, aye. Mr. Cornyn?

8 Senator Cornyn. Aye.

9 The Clerk. Mr. Cornyn, aye. Mr. Thune?

10 Senator Thune. Aye.

11 The Clerk. Mr. Thune, aye. Mr. Burr?

12 Senator Burr. Aye.

13 The Clerk. Mr. Portman?

14 Senator Portman. Aye.

15 The Clerk. Mr. Portman, aye. Mr. Toomey?

16 Senator Crapo. Aye by proxy.

17 The Clerk. Mr. Toomey, aye by proxy. Mr. Scott?

18 Senator Crapo. Aye by proxy.

19 The Clerk. Mr. Scott, aye by proxy. Mr. Cassidy?

20 Senator Crapo. Aye by proxy.

21 The Clerk. Mr. Cassidy, aye by proxy. Mr.

22 Lankford?

23 Senator Lankford. Aye.

24 The Clerk. Mr. Lankford, aye. Mr. Daines?

25 Senator Daines. Aye.

1 The Clerk. Mr. Daines, aye. Mr. Young?

2 Senator Young. Aye.

3 The Clerk. Mr. Young, aye. Mr. Sasse?

4 Senator Sasse. Aye.

5 The Clerk. Mr. Sasse, aye. Mr. Barrasso?

6 Senator Barrasso. Aye.

7 The Clerk. Mr. Barrasso, aye. Mr. Chairman?

8 The Chairman. Aye.

9 The Clerk. The Chairman, aye.

10 The Chairman. The Clerk will report.

11 The Clerk. Mr. Chairman, the final tally is 28 ayes
12 and zero nays.

13 The Chairman. The bill is reported favorably. I
14 ask unanimous consent that the staff have the customary
15 authority to make appropriate technical, conforming, and
16 budgetary changes without objection. And I also ask
17 unanimous consent that all members be able to submit
18 statements for the record.

19 I hear no objection. I thank all members and staff.
20 The meeting is adjourned.

21 Senator Warren. I vote aye.

22 The Chairman. Colleagues, would Senator Warren like
23 to be recorded voting in person? It is so noted. We
24 are adjourned.

25 [Whereupon, at 11:45 a.m., the meeting was

1 concluded.]

	STATEMENT OF:	PAGE
1		
2	Hon. Ron Wyden,	2
3	a U.S. Senator from Oregon,	
4	chairman, Committee on Finance	
5		
6	Hon. Mike Crapo,	8
7	a U.S. Senator from Idaho	
8		
9	Hon. Benjamin L. Cardin,	13
10	a U.S. Senator from Maryland	
11		
12	Hon. John Cornyn,	18
13	a U.S. Senator from Texas	
14		
15	Hon. Rob Portman,	20
16	a U.S. Senator from Ohio	
17		
18	Hon. James Lankford,	25
19	a U.S. Senator from Oklahoma	
20		
21	Hon. Steve Daines,	28
22	a U.S. Senator from Montana	
23		
24	Hon. Robert P. Casey, Jr.,	34
25	a U.S. Senator from Pennsylvania	
26		

1	Hon. Catherine Cortez Masto,	38
2	a U.S. Senator from Nevada	
3		
4	Hon. Chuck Grassley,	41
5	a U.S. Senator from Iowa	
6		
7	Hon. Michael F. Bennet,	44
8	a U.S. Senator from Colorado	
9		
10	Hon. John Barrasso,	49
11	a U.S. Senator from Wyoming	
12		
13	Hon. John Thune,	51
14	a U.S. Senator from South Dakota	
15		
16	Hon. Debbie Stabenow,	55
17	a U.S. Senator from Michigan	

SUBMITTED BY SENATOR LANKFORD

ALIYA ROBINSON
Senior Vice President, Retirement and
Compensation Policy

June 1, 2021

The Honorable James Lankford
United States Senate
316 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Michael Bennet
United States Senate
261 Russell Senate Building
Washington, D.C. 20510

Dear Senators Lankford and Bennet,

The ERISA Industry Committee (ERIC) applauds the introduction of the *Enhancing Emergency and Retirement Savings Act of 2021* and your leadership addressing critical retirement and savings needs. On behalf of our large employer membership, we look forward to working with you to advance this legislation this year.

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 and health 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 the ability of employers to provide effective and cost-efficient retirement and health care programs to millions of workers, retirees, and their families.

The COVID-19 pandemic has highlighted the financial strains experienced by many individuals and families. Your legislation addresses two important financial strains - the lack of emergency savings and insufficient retirement savings. According to a report by Bankrate.com, 26 percent of all Americans have no emergency savings and people between 30 and 49 are more likely than any other age group to have no emergency savings.¹ On top of this, the Urban Institute computes that the value of Americans' retirement accounts has shrunk from over \$18 trillion in 2019 to roughly \$14 trillion in 2020.² Clearly, there is a need to encourage both emergency and retirement savings.

The Enhancing Emergency and Retirement Savings Act of 2021 would provide up to \$1000 from a retirement savings account to be used for personal emergencies. Allowing participants access to savings for emergencies will encourage participation in retirement programs – particularly for those who may be hesitant to “lock away” money in case they will need it later. Plan sponsors and service providers have been actively developing tools to educate workers on the importance of saving and retirement readiness through financial wellness programs and other tools and we believe the Act complements this work by providing additional tools for employees to handle their financial responsibilities.

¹ <https://www.moneyunder30.com/compare-average-emergency-fund-savings>.

² <https://www.pbs.org/newshour/economy/analysis-the-pandemic-is-making-americas-retirement-crisis-worse-heres-what-you-can-do>.

THE ERISA INDUSTRY COMMITTEE
Shaping benefit policies before they shape you.

2

We look forward to working with you and other interested parties to advance this legislation to encourage emergency savings and retirement security for working Americans. If you have any questions, please contact me at arobinson@eric.org or by calling 202-789-1400.

Sincerely,



Aliya Robinson
Senior Vice President
Retirement and Compensation Policy
The ERISA Industry Committee



75 State Street, 22nd Floor
Boston, MA 02109
(617) 423-3644

May 31, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510

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

Dear Senator Lankford and Senator Bennet:

LPL Financial ("LPL") applauds your leadership in addressing an issue that has arisen as a major concern for millions of Americans – the need for emergency savings. We believe that your bill, the "Enhancing Emergency and Retirement Savings Act of 2021," would create a critical source of emergency savings while also strengthening the retirement security system.

Every day, LPL advisors work with small businesses and individuals to help build financial security for their future and to overcome the obstacles to that security. Our advisors are cornerstones of their community, working with clients who are neighbors and trust their advice to save for the future. Collectively, there are more than 18,000 financial advisors across the country who are affiliated with LPL as independent contractors and small business owners. They manage more than \$1 trillion in client assets, and are primarily located in rural and suburban settings. Accordingly, LPL seeks our advisors' input on a consistent basis in an effort to better understand what retirement policies will best serve hard-working Americans.

There is extensive data regarding the millions of Americans who are unable to address even small emergency costs.¹ This creates significant financial stress,² which can have far-reaching effects, including family issues, lack of productivity at work, and an inability to save for retirement. Very few other issues have such widespread adverse effects.

While there has been a longstanding consensus that this issue needs to be addressed, very little has been done to address it, which is why we are so appreciative of your leadership. Your bill would provide millions of Americans with access to emergency savings without any penalty, thereby increasing their ability to pay for small emergency costs. And we also believe that your bill will enhance retirement savings. Our advisors understand the reluctance of many individuals to contribute to a retirement plan because of the concern that they might need that money for an emergency and need to quickly access those funds when necessary. By providing access to retirement savings in the event of an emergency, we believe that your bill would result in far greater retirement savings.

LPL is proud to support your bill. We look forward to the opportunity to work with you toward enactment of this critically important legislation. Please contact Nicole Petrosino, Office of Government Relations, at Nicole.Petrosino@lplfinancial.com with any questions or regarding how we can be helpful to you during the legislative process.

Sincerely,

Michelle Kelley
Senior Vice President, Government Relations

¹ *Report on the Economic Well-Being of U.S. Households in 2018*, FED. RESERVE (May 2019), at 21–22 (available at <https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf>).

² *Survey Update: Over 4 in 5 Americans Still Experiencing COVID Related Financial Stress*, NAT'L ENDOWMENT FOR FIN. EDUC. (Oct. 8, 2020), <https://www.nefe.org/news/2020/10/survey-update-americans-still-experiencing-financial-stress.aspx>.

Member FINRA/SIPC



May 28, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510-2002

The Honorable Michael Bennet
261 Russell Senate Office Building
Washington, DC 20510-3506

Dear Senator Lankford and Senator Bennet:

We are writing on behalf of the American Benefits Council to thank you for your leadership with respect to emergency savings and the introduction of the Enhancing Emergency and Retirement Savings Act of 2021. This bill reflects your commitment to good bipartisan retirement policy and responds to a critical need for financial protection in cases of unexpected expenses that often present real challenges for many American workers and their families.

The American Benefits Council is a Washington D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and their families. Council members include over 220 of the world's largest corporations and collectively either directly sponsor or support sponsors of health and retirement benefits for virtually all Americans covered by employer-provided plans.

The bill allows a retirement plan, such as a 401(k) plan, or IRA to be accessed for a small amount in the case of emergency without any penalty. Even relatively small, unexpected expenses, such as a car repair or a modest medical bill, can be a hardship for many workers and fear of those expenses can keep them from saving. As a result of knowing they have access to a modest amount in this case, individuals will be more likely to contribute to the plan or IRA and often will end up not having to make emergency withdrawals, thus enhancing their overall retirement security while improving their financial resilience.

There are a number of ways to improve emergency savings that the Council supports, including programs outside of the retirement plan and we look forward to a

continued dialogue about how to further improve emergency savings and strengthen personal financial security. However, this bill is a significant step towards addressing the critical problem faced by many Americans by offering a solution that harnesses the successful 401(k) or similar plan structure that utilizes payroll deduction and allows for retribution.

We look forward to seeing the bill progress through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Lynn D. Dudley". The signature is written in a cursive style with a large, prominent "L" and "D".

Lynn D. Dudley
Senior Vice President, Global Retirement and Compensation Policy



May 27, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510

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

Senators Lankford and Bennet:

Thank you for your continued work championing public policies that support, encourage, and strengthen the ability of American families to prepare for and live in retirement. In particular, congratulations and thank you for introducing your bipartisan Enhancing Emergency and Retirement Savings Act.

We believe this excellent legislation will give savers comfort that they'll have access to their money in the event of an emergency and will remove a significant barrier for low- and middle-income workers to save for retirement in the first place. Most critically, the ability to access a small amount retirement savings without a tax penalty will help prevent many people from digging themselves into a financial hole due to an unplanned emergency expense.

The change made by your bill will be optional for plan sponsors and we expect it will garner strong support among employers because it builds on their already existing retirement savings plans rather than having to establish a new separate account structure. This will have the effect of making 401(k) and similar employer-sponsored retirement plans more attractive and promote wider participation from employees. We know many workers—notably, lower-wage workers—hesitate to join workplace retirement plans because they fear they won't be able to access their retirement savings during a short-term emergency. The ability to take emergency withdrawals would help reduce this reluctance and encourage workers to reconsider participation in their employer-sponsored retirement plans.

In a [recent Nationwide Retirement Institute survey](#) of advisors and financial professionals, we found that 9 in 10 (91%) would like to see an emergency savings provision of this nature added to the SECURE Act 2.0 legislation currently under consideration in Congress. Nationwide strongly supports the Enhancing Emergency & Retirement Savings Act and believes it aligns with our commitment to promoting financial security in the communities we serve and simpler solutions for financial professionals and their clients.

We stand ready to work with you to help quickly enact this legislation and make a secure retirement accessible to more American workers. Taking this sensible step will help make sure all Americans are able to deal with short-term emergencies while also saving for their retirement in the future.

Sincerely,

Eric Stevenson
President
Nationwide Retirement Solutions

May 28, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510

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

Dear Senator Lankford and Senator Bennet:

I am writing to thank you for your leadership in introducing the "Enhancing Emergency and Retirement Savings Act of 2021." We believe that this bill would enhance Americans' ability to save for emergencies while at the same time enhancing rather than undermining retirement security.

State Street Global Advisors (State Street) is one of the largest asset managers working with US Defined Contribution (DC) plans today. With nearly 40 years of experience in the DC market, we manage more than \$650 billion in DC assets around the world, of which over \$496 billion belong to participants in the US.¹

The last year has seen tremendous upheaval in our country and its impact on Americans' employment and financial situation has been significant. The pandemic has also highlighted the fact that millions of Americans are unprepared for an emergency expense. According to a 2019 Federal Reserve study, approximately 40% of American adults would have trouble covering a \$400 emergency expense and 12% could not pay the expense at all.² In addition, a survey conducted by the National Endowment for Financial Education in October 2020 found that a lack of emergency savings is Americans' top financial stressor during the coronavirus pandemic.³

The critical need for emergency savings is why we support the "Enhancing Emergency and Retirement Savings Act of 2021." This legislation would be a major step forward in providing a penalty-free source of emergency savings. We also believe that if low and middle-income individuals know that they can access their retirement savings without a penalty in the case of an emergency, they will feel comfortable contributing more, so that the bill would enhance both emergency savings and retirement savings.

Thank you for your leadership on this issue, and we look forward to working with you as this important legislation moves toward enactment.

Sincerely,



David Ireland
Global Head of Defined Contribution
State Street Global Advisors

¹ As of March 31, 2021.

² *Report on the Economic Well-Being of U.S. Households in 2018*, FED. RESERVE (May 2019), at 21–22 (available at <https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf>).

³ *Survey Update: Over 4 in 5 Americans Still Experiencing COVID Related Financial Stress*, NAT'L ENDOWMENT FOR FIN. EDUC. (Oct. 8, 2020), <https://www.nefe.org/news/2020/10/survey-update-americans-still-experiencing-financial-stress.aspx>.



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Working for America's Retirement

May 28, 2021

The Honorable James Lankford
 United States Senate
 316 Hart Senate Office Building
 Washington, DC 20510

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

Re: Letter of Support for the *Enhancing Emergency and Retirement Savings Act*

Dear Senators Lankford and Bennet:

On behalf of the more than 30,000 members of the American Retirement Association (ARA), we hereby express our support for the *Enhancing Emergency and Retirement Savings Act*.

The ARA is the coordinating entity for its five underlying affiliate organizations representing the full spectrum of America's private retirement system – the American Society of Enrolled Actuaries (ASEA), the American Society of Pension Professionals and Actuaries (ASPPA), the National Association of Plan Advisors (NAPA), the National Tax-Deferred Savings Association (NTSA), and the Plan Sponsor Council of America (PSCA). The ARA's members include organizations of all sizes and industries across the nation who sponsor and/or support retirement saving plans and are dedicated to expanding on the success of employer-sponsored plans. The ARA and its underlying affiliate organizations are diverse but united in their common dedication to the success of America's private retirement system.

The ARA recognizes that American workers are not saving enough, therefore are vulnerable to unexpected financial shocks. The Federal Reserve found that nearly 4 in 10 adults in 2019 would have difficulty covering a \$400 unexpected expense using cash or its equivalent,¹ a situation that has likely grown worse for a significant portion of the population due the impact of the COVID-19 pandemic.

The *Enhancing Emergency and Retirement Savings Act* smartly leverages the existing workplace-based retirement plan system to address this emergency savings problem while ensuring Americans continue to save for a secure retirement following an emergency. The legislation creates a new category of distribution in a 401(k) or similar plan that would allow workers who have a certain balance in these accounts to quickly access their savings to address a personal financial emergency without an additional tax penalty and a minimal amount of paperwork.

Our members specialize in facilitating well-designed workplace-based retirement savings plans to bolster the retirement security of the American workforce. Employers will be more inclined to adopt this new financial emergency safety valve feature due to its simplicity and the guardrails imposed to prevent abuse. Employers are already familiar with processing similar distribution requests since 401(k) and similar plans already have built in rules allowing access to savings on account of certain financial hardships or other obligations. The financial incentives to save through and fund a 401(k) plan remain in place and those funds remain protected through the Employee Retirement Security Act (ERISA), so long-term retirement savings are not undermined.

The ARA has concerns with the other approaches to encourage savings for financial emergencies that propose to create and automatically enroll employees into an entirely new and separate savings account

¹ Board of Governors of the Federal Reserve System, Report of the Economic Well-Being of U.S. Households in 2019: May 2020

program. The ARA believes that this approach would create an unnecessary administrative burden for employers and would potentially expose employers to more liability if something goes wrong. In addition, separate accounts would also discourage long-term retirement savings as workers would be less likely to save in their 401(k) plans if they are already automatically saving in their separate emergency savings account.

The American Retirement Association thanks Senators Lankford and Bennet for introducing this important piece of legislation. The *Enhancing Emergency and Retirement Savings Act* addresses this important policy problem and deserves serious consideration from the Congress.

Sincerely,



Brian H. Graff, Esq. APM
Executive Director/CEO
American Retirement Association

ASPPA

ASEA

NAPA

NTSA

PSCA



November 5, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510

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

Dear Senator Lankford and Senator Bennet:

The pandemic has highlighted the gaps in Americans' preparedness for emergency expenses. So many individuals, and especially women, were not prepared for the emergency costs and loss of income triggered by the circumstances of COVID-19. In that regard, a problem that had been simmering for several years has shown a more immediate concern to revisit all of our thinking on how we can help Americans be better prepared for tomorrow's emergencies.

Writing on behalf of the Women's Institute for a Secure Retirement ("WISER"), we are pleased to support your bill -- the "Enhancing Emergency and Retirement Savings Act of 2021" -- which would not only provide a new source of emergency savings but would do so in a way that strengthens retirement savings, another critical issue for working women.

WISER has long been dedicated to the mission of enhancing savings opportunities for women. In that regard, I would like to highlight work we did in connection with the Latina Retirement Savings Project. An excerpt from our report on that work is below, which has a direct relationship to your bill.

Th[e] report describes participant outcomes from the Latina Retirement Savings Project ("the project"), which ran from October 2017 to July 2019. The project is a collaboration between Women's Institute for a Secure Retirement (WISER) and MANA, a National Latina Organization (MANA), and was designed to encourage and facilitate savings among low- and moderate-income Latinas in four cities across the U.S. -- Albuquerque, New Mexico; Baytown, Texas; Fort Worth, Texas; and Topeka, Kansas.

. . . Latinas . . . face significant obstacles to successfully building wealth. This project sought to promote savings habits, while developing achievable savings goals through the use of low-cost saving options paired with savings incentives. The project also incorporated financial education designed to help Latinas understand the barriers they face when saving and how to overcome challenges. . .

According to the Federal Reserve, four in ten Americans would have difficulty covering an unexpected expense of \$400, with racial and ethnic minorities (including Hispanics) even less able to handle a financial setback. Most project participants, if they successfully maintain the savings built up so far and keep up their savings habit

Women's Institute for Secure Retirement
1001 Connecticut Ave. NW · Suite 730 · Washington, DC · 20036
wiserwomen.org

going forward, will be on track to accumulate \$400 in liquid savings by the end of one year. Such funds can provide a buffer against unexpected expenses or declines in income. In post-project surveys, savers indicated a high degree of motivation and intent to continue their savings behaviors.

This project demonstrates that low- and moderate-income Latinas can overcome formidable obstacles to saving. Evaluation of the project points to several factors influencing this outcome: accessible, actionable financial information delivered by trusted messengers; an appropriate financial product offered by a trusted institution; and a heightened motivation to save that comes from an empowering experience undertaken with peers, combined with the offer of a financial incentive. (emphasis added)

Our work on savings issues for women, such as the study noted above, strongly supports your bill, which makes it very simple for all Americans to save for emergencies in a manner that has proved to be very effective – payroll deduction at work. Moreover, we are hopeful that the bill will lead to higher levels of retirement savings, because workers will feel more comfortable contributing to a retirement plan knowing that they have access to the savings for emergencies if needed. And we also believe that retirement security will also be enhanced because most of those additional savings will likely not be used and thus will stay in the plan.

Your bill will provide an important step forward for women’s savings and retirement security and we are pleased to support it.

Sincerely,



Cindy Hounsell
President, Women’s Institute for Secure Retirement



Susan K. Neely
President & Chief Executive Officer

October 4, 2021

The Honorable James Lankford
U.S. Senate
216 Hart Senate Office Building
Washington, DC 20510

The Honorable Michael Bennett
U.S. Senate
261 Russell Senate Building
Washington, DC 20510

Dear Senators Lankford and Bennett,

On behalf of the American Council of Life Insurers (ACLI), I thank you both for your leadership on the issue of family financial security, and in particular, emergency savings with the introduction of S.1870, the Enhancing Emergency and Retirement Savings Act of 2021.

ACLI's core business is financial security and retirement security is a critical mission. Ninety million American families rely on our products for financial protection and retirement security. As society and work change, the industry is committed to solutions that protect all Americans, regardless of where and how they work, their life stage, or the economic status of their household. Insurance companies seek to expand the availability, accessibility, and affordability of products and services that provide financial protection for all.

The global pandemic has brought into sharp focus challenges Americans face with ensuring they have both short-term and long-term savings – both key components to financial health. In 2019 for example, almost 50 percent of all U.S. households had less than \$5,300 in liquid savings that can be used for an emergency. This was exacerbated in 2020 as families faced financial crises with the economic downturn related to COVID-19. Some retirement savers, having little to no emergency savings, utilized plan loans and distributions features, demonstrating the important need for thoughtful short-term savings solutions.

ACLI applauds your commitment toward solutions to help the many American families that lack short-term emergency savings. S.1870 seeks to address this critical savings need. ACLI and our member companies are eager to collaborate on additional ideas and concepts that further address the complexities and challenges related to emergency savings.

Thank you for your leadership and bipartisanship on S.1870, the Enhancing Emergency and Retirement Savings Act of 2021. We look forward to continued collaboration on the issue of helping American families address emergency savings.

Sincerely,

Susan K. Neely

American Council of Life Insurers | 101 Constitution Ave, NW, Suite 700 | Washington, DC 20001-2133

(202) 624-2000 t | susanneely@aclicom

The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 95 percent of industry assets in the United States.

aclicom



June 3, 2021

Senator James Lankford
U.S. Senate
Washington, DC 20001

Senator Michael Bennet
U.S. Senate
Washington, DC 20001

Dear Senators Lankford and Bennet:

The National Association of Insurance and Financial Advisors supports S.1870, The “Enhancing Emergency and Retirement Savings Act of 2021.” The bill authorizes inclusion in an IRA or retirement savings plan, at the plan sponsor’s election, a provision that would allow for small, controlled emergency withdrawals from IRAs and employer-sponsored retirement savings plans. We applaud your leadership on this important issue.

The bill addresses the goal of encouraging participation in retirement savings plans, particularly among lower-income workers who may find that access to a limited amount of funds, under controlled but easy-access circumstances, to meet emergency needs is a necessary prerequisite to their decision to participate in their employer-sponsored savings plans. We agree with you that this provision meets a need for access to emergency savings that not only does not undermine retirement savings, but also actually enhances those savings by eliminating a barrier to participation in the plan.

S.1870 also eliminates the argument that a new type of tax-advantaged savings account is needed to help people create and maintain emergency savings accounts. The Enhancing Emergency and Retirement Savings Act meets that need without diverting limited resources away from retirement savings. It also avoids creating a tax-favored vehicle that would benefit wealthier individuals who really do not need additional tax incentives to save.

The bill contains appropriate guardrails to prevent abuse of the emergency withdrawal authority. These include the hard cap of \$1000 that can be withdrawn, pre-retirement and as a result of a financial emergency, from vested account balances; withdrawals limited to no more than one per year; the provision of an opportunity to re-contribute amounts withdrawn; and waiver of the pre-retirement penalty tax but imposition of income tax liability on amounts withdrawn and not re-contributed.



June 3, 2021
Page Two

Plus, the process for making the emergency withdrawal is easy—requiring only self-certification by the plan participant/borrower to access the money. Self-certification is important to avoid burdensome recordkeeping and other administrative costs borne by the plan sponsor, and ease of access would be important to any plan participant who is contending with a financial emergency. Finally, the fact that the bill allows but does not require plan sponsors to offer this emergency withdrawal option is important for plan sponsors who may need to avoid the administrative issues connected to the emergency withdrawal option.

NAIFA is pleased to support this retirement savings enhancing bill, and thanks you for your leadership in sponsoring S.1870.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin M. Mayeux".

Kevin M. Mayeux, CAE
NAIFA CEO



ELIZABETH WARREN
U.S. SENATOR FOR MASSACHUSETTS

Senator Warren Statement for the Record

Executive Session to Consider the Enhancing American Retirement Now (EARN) Act

The *Enhancing American Retirement Now (EARN) Act* contains important provisions that will help hardworking Americans save for retirement. This includes my bill with Senator Daines, the *Retirement Savings Lost and Found Act*. This provision would help the tens of millions of Americans who have left a retirement account at their previous employer by creating a registry that helps workers track and manage their retirement accounts as they move from job to job. Young workers are changing jobs at higher rates than their older counterparts and often leave behind retirement accounts with small balances that decline rapidly in value from fees. The Retirement Savings Lost and Found will immediately help remedy this growing problem. I am also glad that the EARN Act will make significant improvements to the Saver's Tax Credit, by making it refundable and creating a government matching contribution to help low- to moderate-income workers save for retirement.

However, Congress must do more to ensure that all Americans can save enough for retirement - and that retirement incentives are not designed for and exploited by the wealthy. Currently over 50% of households do not have a retirement account, meaning they are unable to take part in many of the tax advantages addressed by this bill. Social Security has become the main source of retirement income for most seniors, and it is particularly important to people of color who have higher rates of disability and lower lifetime earnings than white workers on average. Especially with high inflation, we must safeguard this revolutionary retirement program and ensure that retirement policy works for more than just those at the very top.

This is why I offered amendments that would close loopholes abused by the rich and bolster retirement security for the most vulnerable. My first amendment would expand Social Security benefits by \$200 a month for current and existing recipients and adopt the Consumer Price Index for the Elderly (CPI-E) to provide beneficiaries more accurate Cost-of-Living Adjustments (COLAs). By making the wealthy pay their fair share of payroll taxes on all income over \$250,000, including capital gains, we can fund these expansions and extend Social Security solvency past the year 2096. My second amendment would stop billionaires from abusing tax-preferred retirement accounts. Currently, loopholes allow the very wealthy to use the money in a Roth IRA for special stock deals that can net them millions – or even billions – in tax-free

wealth. IRAs are supposed to help hardworking Americans save – not act as tax shelters for billionaires, and Congress must crack down on this practice.

It is disappointing that these amendments, and those offered by my colleagues on Supplemental Security Income asset limits and mandating automatic enrollment for new 401(k) and 403(b) plans, are not currently included in this bill. I will continue fighting to expand retirement benefits for hardworking Americans and to ensure the wealthy pay their fair share.

###

SUBMITTED BY SENATOR CASEY



June 20, 2022

The Honorable Ron Wyden
Chair
United States Senate Committee on Finance
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
United States Senate Committee on Finance
239 Dirksen Senate Office Building
Washington, DC 20510

Dear Chair Wyden and Ranking Member Crapo:

The National Federation of the Blind, the nation's transformative civil rights organization of the blind, supports and endorses the ABLA Age Adjustment Act (S. 331) sponsored by Senator Casey. Furthermore, we support any effort to include it in the SECURE Act 2.0.

The National Federation of the Blind has members in all fifty states, as well as the District of Columbia and Puerto Rico, who would benefit from the provisions of this legislation.

The purpose of the ABLA Age Adjustment Act is to increase the qualifying age limit from 26 to 46 thereby ensuring a wider population of disabled people may participate in this program. Blindness is one of many disabilities frequently acquired later in life, and raising the qualifying age limit will ensure those younger and middle-aged adults living on Supplemental Security Income will be able to achieve a better life experience.

If we can help in any way, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Riccobono".

Mark A. Riccobono, President
National Federation of the Blind

CC: The Honorable Robert Casey



June 21, 2022

The Honorable Ron Wyden
221 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
239 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Crapo,

The Muscular Dystrophy Association (MDA) is writing in support of inclusion of the ABLE Age Adjustment Act in the SECURE 2.0 package.

MDA is the nation's leading nonprofit organization dedicated to transforming the lives of individuals living with neuromuscular diseases through innovations in science and innovations in care. Since inception, MDA has invested more than \$1 billion in research grants to accelerate treatments and cures for neuromuscular disorders, making MDA the largest source of neuromuscular disease research funding in the U.S. outside of the federal government.

ABLE accounts allow individuals who acquire a qualifying disability by age 26 to save money for specific, disability-related expenses not covered by insurance without jeopardizing their eligibility for Medicaid or other benefits like SSI. The ABLE Age Adjustment Act will increase the age by which individuals must have a qualifying disability from 26 to 46, which will expand the ability of people who get diagnosed with neuromuscular diseases like ALS after age 26 to use an ABLE account to save for disability-related expenses.

ABLE accounts are a lifeline for people with disabilities who currently may not need Supplemental Security Income (SSI), Medicaid, or home and community-based services, but may need them in the future as their disability progresses. Increasing the age for ABLE accounts will allow individuals diagnosed with a disability after age 26 to maintain their freedom and independence by saving money for future disability-related expenses that Medicare, Medicaid, or SSI do not cover, including complex rehabilitation technology such as power wheelchairs.

We urge the Senate Finance Committee to include the ABLE Age Adjustment Act in SECURE 2.0.

Sincerely,

Michael Lewis

Michael Lewis
Director, Disability Policy
Muscular Dystrophy Association



May 23, 2022

Chairman Wyden
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington DC, 20510

Ranking Member Crapo
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington DC, 20510

Chairman Neal
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Ranking Member Brady
House Ways and Means Committee
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairman Wyden, Ranking Member Crapo, Chairman Neal, and Ranking Member Brady:

The Consortium for Constituents with Disabilities (CCD) Financial Security and Poverty Task Force and Social Security Taskforce urge you to include the ABLE Age Adjustment Act (S. 331/H.R. 1219) and the SSI Savings Penalty Elimination Act (S. 4102) in the final SECURE 2.0 legislation.

Our two taskforces work to engage in concerted advocacy for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society free from racism, ableism, sexism, and xenophobia, as well as LGBTQ+ based discrimination and religious intolerance; that enhances the civil rights and quality of life of all people with disabilities and their families; and that reflects the values of the Americans with Disabilities Act and all civil rights law.

ABLE Age Adjustment Act (S. 331/H.R. 1219)

As Congress works to complete the SECURE 2.0 legislation, we wish to underscore the importance of including policies that allow people with disabilities to save. Despite the introduction of the ABLE Age Adjustment Act in every Congress since the passage of the original ABLE Act, people with disabilities that developed after age 26 still cannot use ABLE accounts to save for future expenses related to their disability. It is time for Congress to pass the ABLE Age Adjustment Act and expand access to ABLE accounts. The bipartisan, bicameral ABLE Age Adjustment Act would allow people who develop their disabilities before age 46 to establish ABLE accounts, allowing them to save for future expenses without placing needed disability services, health care, and income support at risk.

SSI Savings Penalty Elimination Act (S. 4102)

Supplemental Security Income (SSI) provides an extremely modest cash benefit, a maximum of \$841 a month in 2022, for low-income individuals with disabilities and older

adults that meet the strict means-tested criteria. In March 2022, nearly 7.6 million people: 4.3 million working-age individuals with disabilities; 1 million children with disabilities; and 2.3 million older adults relied on the program. Unfortunately, the benefit's low, outdated countable asset limit of \$2,000 for individuals/\$3,000 for couples does not allow people to save for emergencies, such as a leaky roof, car repair, or other unexpected expense. The current asset limit does not adjust for inflation and was last updated in 1989.

Introduced by Senators Sherrod Brown (D-OH) and Rob Portman (R-OH), the bipartisan SSI Savings Penalty Elimination Act would significantly improve the lives of SSI recipients by raising the asset limit to \$10,000 per individual/\$20,000 per couple. This would allow SSI beneficiaries to save more for unexpected expenses, improving their financial security and independence. The legislation also adjusts that number for inflation every year, a critical element in today's inflationary environment.

Conclusion

Again, promoting greater economic independence for people with disabilities, including increased opportunities for people with disabilities to save for unexpected expenses and retirement, is a CCD priority. Accordingly, we urge Congress to include both the ABLE Age Adjustment Act (S. 331/H.R. 1219) and the SSI Savings Penalty Elimination Act (S. 4102) in the final SECURE 2.0 legislation. We are eager to work with you to ensure broader access to financial security for people with disabilities. Please contact Cyrus Huncharek (cyrus.huncharek@ndrn.org) or David Goldfarb (goldfarb@thearc.org) with any questions or to discuss further.

Sincerely,

CCD Financial Security and Poverty Task Force Co-Chairs

David Goldfarb
The Arc of the United States

Cyrus Huncharek
National Disability Rights Network (NDRN)

Aaron Kaufman
The Jewish Federations of North America

Michael Morris
National Disability Institute

CCD Social Security Task Force Co-Chairs

Stacy Cloyd
National Organization of Social Security Claimants' Representatives

David Goldfarb
The Arc of the United States

Tracey Thomas Gronniger
Justice in Aging

Jeanne Morin
National Association of Disability Representatives (NADR)



August 4, 2021

Majority Leader Chuck Schumer
S-221, The Capitol
U.S. Senate
Washington, DC 20510

Minority Leader Mitch McConnell
S-230, The Capitol
U.S. Senate
Washington, DC 20510

Speaker Nancy Pelosi
H-232, The Capitol
U.S. House
Washington, DC 20515

Minority Leader Kevin McCarthy
H-204, The Capitol
U.S. House
Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

As national organizations who are committed to the advancement of economic security for people with disabilities, we are writing to express our strong support for **the ABLÉ Age Adjustment Act (S.331/H.R.1219)**. Founded in 2007, the Collaboration to Promote Self-Determination (CPSD) is a national advocacy coalition of organizations representing people with intellectual, developmental, and other disabilities and their families, disability service agencies and individuals who have come together to bring about a significant modernization of the federal adult system of services and supports for persons with disabilities. The mission of CPSD is to push for major systemic reform of the nation's disability laws and programs to advance economic security, enhance integrated community participation, and increase opportunities for people with disabilities so that they can lead self-determined lives.

Previously introduced in the 114th, 115th and 116th Congresses, the ABLÉ Age Adjustment Act improves upon the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act (PL 113-295), which was signed into law in December 2014 and was one of the most bipartisan bills in recent history. The ABLÉ Act amended the Internal Revenue Code by creating section 529A to provide for tax-favored accounts to enable people with disabilities to save for and pay for disability-related expenses that include education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, and financial management. Importantly, resources saved in an ABLÉ account are not taken into consideration when determining the individual's eligibility for federally funded means tested benefits, including Supplemental Security Income (SSI) and Medicaid. The opportunity provided through the ABLÉ Act to assist in securing more financial stability for individuals with disabilities and their families is profound.

Unfortunately, due to a last-minute change to the original legislation, ABLÉ accounts are only available to people whose disability onset prior to their 26th birthday. According to the National Disability Institute, approximately 6.1 million individuals who could benefit from ABLÉ accounts are left out, since many conditions can and do occur later in life, including multiple sclerosis, Lou Gehrig's disease or paralysis due to an accident.

Additionally, veterans who become disabled as a result of their service after age 25 are currently ineligible for ABLE accounts. The ABLE Age Adjustment Act would amend Section 529A(e) of the Internal Revenue Code to increase the eligibility threshold for ABLE accounts for onset of disability from prior to age 26 to prior to age 46.

According to recent estimates from the ISS Market Solutions and the ABLE National Resource Center, as of the end of the first quarter of 2021 there are now over 90,000 ABLE accounts across the 43 states plus the District of Columbia's ABLE programs with nearly \$760 million in assets under management. The average amount per ABLE account is \$8,368, which is \$6,368 above the \$2,000 resource limit for individuals with disabilities that has been in place since 1989 for most public means-tested programs.

Passing the ABLE Age Adjustment Act would nearly double the currently eligible population and improve the sustainability of ABLE programs nationwide by bringing even more assets under management. Most importantly, this bill would enable otherwise-eligible people with a variety of later-onset disabilities (many of whom spent years advocating for the original ABLE Act) to realize the benefits of ABLE accounts to increase their financial security without jeopardizing their much-needed public benefits.

We sincerely thank you for the consideration of this request, which will increase the financial security of Americans with disabilities, no matter the age of disability onset. Please do not hesitate to contact Heather Sachs (heather@ndsccenter.org) with any questions.

Sincerely,

THE COLLABORATION TO PROMOTE SELF-DETERMINATION

Allies for Independence
 Applied Self-Direction
 Association of University Centers on Disabilities (AUCD)
 Association of People Supporting Employment First (APSE)
 Autism Society of America
 Autistic Self Advocacy Network
 Community Options, Inc.
 Center for Public Representation
 Marc Gold & Associates
 National Association of State Directors of Developmental Disabilities Services
 National Disability Institute
 National Disability Rights Network
 National Alliance for Direct Support Professionals
 National Down Syndrome Congress
 TASH
 Williams Syndrome Association

CC: Senator Casey, Senator Moran, Representative Cardenas, Representative Chu, Representative McMorris-Rodgers, Senate Finance Committee and House Ways and Means Committee



Make today a breakthrough.

June 15, 2022

The Honorable Ron Wyden
Chairman
U.S. Senate Finance Committee
United States Senate
Washington DC 20510

The Honorable Mike Crapo
Ranking Member
U.S. Senate Finance Committee
United States Senate
Washington DC 20510

Dear Chairman Wyden and Ranking Member Crapo,

Recently, you have heard from individuals with spinal muscular atrophy (SMA) and their families about two disability-related legislative proposals that would allow people with SMA and other disabilities to save for their futures and improve their economic self-sufficiency. As you prepare for a markup of retirement security legislation (SECURE 2.0), **Cure SMA asks that you include these two bipartisan bills, Supplemental Security Income (SSI) Savings Penalty Elimination Act and the ABLE Age Adjustment Act, in the base SECURE 2.0 legislation.**

SMA is a neurodegenerative disease that robs individuals of physical strength, impacting their ability to walk, eat, and breathe. Some individuals with SMA rely on SSI for their basic living needs, such as food, clothing, and shelter, and for access to Medicaid and its in-home supports. In addition, some individuals with SMA utilize ABLE accounts to help save for future expenses, such as housing, transportation, and health care, without jeopardizing their eligibility for Medicaid and other essential services. **Both the SSI and ABLE programs require updates to encourage greater savings and to promote independence of individuals with SMA and other disabilities.**

The **SSI Savings Penalty Elimination Act (S.4102)** would increase the SSI asset limits to \$10,000 for individuals and \$20,000 for couples and index the new limits to keep up with inflation. The current SSI asset caps, \$2,000 limit for individuals and \$3,000 limit for couples, leave individuals with SMA and others in the program unprepared to address financial emergencies or save for their futures. Individuals who exceed the SSI caps also risk losing their Medicaid care and supports that helps them remain independent in their community. *"I constantly worry if I'm making too much money, and alternatively, how I'm going to make ends meet. It's a confusing dynamic that makes zero sense. I'm penalized for working, but also not given the resources to be able to afford to live in this economy,"* said a young woman with SMA.

The **ABLE Age Adjustment Act (S.331)** would expand the number of individuals with disabilities eligible to open an ABLE account, which is currently only available to individuals whose disability onset occurred before age 26. The ABLE Age Adjustment Act would increase the eligibility age to include all individuals with disabilities whose age of disability onset occurs prior to age 46. This change could benefit a segment of the SMA population where SMA symptoms only occur after 35 years of age (SMA Type 4). This change will strengthen and make the ABLE program fairer by increasing the pool of possible ABLE account holders.



These bipartisan bills have wide support from the SMA and disability communities as well as key Finance Committee Members. On behalf of children and adults with SMA and their families, we respectfully ask that you use your influential position on the Finance Committee to ensure these bipartisan provisions are included in the based SECURE 2.0 bill being considered by the committee. Please do not hesitate to contact Cure SMA if you have any questions. Your staff can contact Maynard Friesz, Vice President for Policy and Advocacy at Cure SMA, at 202-871-8004 or maynard.friesz@curesma.org.

Thank you for considering the views of the SMA community.

Sincerely,

A handwritten signature in black ink that reads "K. Hobby".

Kenneth Hobby
President

A handwritten signature in black ink that reads "Maynard Friesz".

Maynard Friesz
Vice President of Policy



June 21, 2022

Chairman Ron Wyden
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington DC, 20510

Ranking Member Mike Crapo
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington DC, 20510

Dear Chairman Wyden and Ranking Member Crapo:

The Association of University Centers on Disabilities (AUCD) fully supports the ABLE Age Adjustment Act (S. 331) and the SSI Savings Penalty Elimination Act (S. 4102). Both bills are critical to ensuring that people with disabilities have the opportunity to save money, save for retirement, and pay for disability-related and/or emergency expenses. AUCD urges you to include both bills as part of the Enhancing American Retirement Now (EARN) Act.

The ABLE Act allows people who developed their disability before the age of 26 access to a tax-free savings account to help them save for future expenses without losing their federal benefits. The ABLE Age Adjustment Act expands eligibility, allowing for people who develop their disability before the age of 46 to set-up an ABLE account. More people with disabilities should have an opportunity to save money to pay for disability-related and emergency expenses without putting their healthcare and income support at risk.

The SSI Saving Penalty Elimination Act would increase the asset limits for beneficiaries of Supplemental Security Income (SSI) to \$10,000 per individual/\$20,000 per couple. As of March 2022, nearly 7.6 million people with disabilities relied on SSI, but the current outdated countable asset limit of \$2,000 for individuals/\$3,000 for couples, does not allow them to save for emergencies. The SSI Savings Penalty Elimination Act would give SSI beneficiaries the chance to improve their financial security and independence.

As was promised thirty years ago in the American with Disabilities Act, a long-standing priority for AUCD has been ensuring that people with disabilities can become economically self-sufficient. AUCD is a nonprofit membership association of 133 university centers and programs located in every state, the District of Columbia, Puerto Rico, and U.S. territories (American Samoa, Guam, U.S. Virgin Islands, and the Northern Mariana Islands). AUCD members conduct research, create innovative programs, provide training, and disseminate information about best practices in the service delivery system that support people with disabilities. The AUCD network serves as a bridge between the university and community bringing together resources to both to build capacity and create systems change. AUCD provides leadership in areas that affect the lives of people with disabilities and their families.

Please contact Cindy Smith, Director of Public Policy, at csmith@aucd.org should you have any questions. Thank you for considering our views.

Sincerely,

John Tschida, MPP
Executive Director

Cc: Members of the Senate Finance Committee

1100 Wayne Avenue, Suite
1000
Silver Spring, MD 20910
t: 301-588-8252
www.aucd.org

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Member at Large

Ilka Riddle, PhD
Member at Large

Michael Thornton
Member at Large

Derrick Willis, MPA
Member at Large

Elizabeth Morgan, PhD
Emerging Leader Member

John Tschida, MPP
Executive Director



March 2, 2021

Senator Bob Casey
393 Russell Senate Office Building
Washington, DC 20510

Senator Jerry Moran
521 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Casey and Senator Moran:

The undersigned members of the Consortium for Citizens with Disabilities (CCD), along with allies from all 50 states across the country, are writing to express our strong support for the **ABLE Age Adjustment Act (S. 331/HR 1219)**. CCD is the largest coalition of national organizations working together to advocate for federal public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society.

Previously introduced in the 114th, 115th and 116th Congresses, the ABLE Age Adjustment Act improves upon the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act (PL 113-295), which was signed into law in December 2014 and was one of the most bipartisan bills in recent history. The ABLE Act amended the Internal Revenue Code by creating section 529A to provide for tax-favored accounts to enable people with disabilities to save for and pay for disability-related expenses that include education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, and financial management. Importantly, resources saved in an ABLE account are not taken into consideration when determining the individual's eligibility for federally funded means tested benefits, including Supplemental Security Income (SSI) and Medicaid. The opportunity provided through the ABLE Act to assist in securing more financial stability for individuals with disabilities and their families is profound.

Unfortunately, due to a last-minute change to the original legislation, ABLE accounts are only available to people whose disability onset prior to their 26th birthday. According to the National Disability Institute, approximately 6.1 million individuals who could benefit from ABLE accounts are left out, since many conditions can and do occur later in life, including multiple sclerosis, Lou Gehrig's disease or paralysis due to an accident. Additionally, veterans who become disabled as a result of their service after age 25 are currently ineligible for ABLE accounts. The ABLE Age Adjustment Act would amend Section 529A(e) of the Internal Revenue Code to increase the eligibility threshold for ABLE accounts for onset of disability from prior to age 26 to prior to age 46.

According to recent estimates from the ABLE National Resource Center, there are now approximately 82,000 ABLE accounts across the 44 states plus the District of Columbia's ABLE programs, with nearly \$643 million in assets under management. Passing the ABLE Age Adjustment Act would nearly double the currently eligible population and improve the sustainability of ABLE programs nationwide. Most importantly, this bill would enable otherwise-eligible people with a variety of later-onset disabilities

(many of whom spent years advocating for the original ABE Act) to realize the benefits of ABE accounts to increase their financial security without jeopardizing their much-needed public benefits.

We sincerely thank you for your continued commitment to the financial security of all Americans with disabilities, no matter the age of onset. We look forward to continuing to work with you to pass the bipartisan ABE Age Adjustment Act in the 117th Congress.

Sincerely,

The Advocacy Institute
American Association on Health and Disability
American Association on Intellectual and Developmental Disabilities (AAIDD)
American Council of the Blind
American Music Therapy Association
American Network of Community Options & Resources (ANCOR)
The Arc of the United States
Autism Society of America
Autism Speaks
Autistic Self Advocacy Network
Center for Disability Rights
Communication FIRST
Cure SMA
Epilepsy Foundation
The Jewish Federations of North America
Justice in Aging
Lakeshore Foundation
Lutheran Services in America - Disability Network
National Alliance on Mental Illness
National Association of State Directors of Developmental Disabilities Services
National Association of Councils on Developmental Disabilities
National Association of State Head Injury Administrators
National Council on Independent Living
National Disability Institute
National Disability Rights Network (NDRN)
National Down Syndrome Congress

National Down Syndrome Society
National Multiple Sclerosis Society
National Organization of Social Security Claimants' Representatives (NOSSCR)
Native American Disability Law Center
Network of Jewish Human Service Agencies
Paralyzed Veterans of America
RespectAbility
Special Needs Alliance
TASH
United States International Council on Disabilities
United Spinal Association
Wounded Warriors Project
VetsFirst

ALASKA

The Arc of Anchorage
Disability Law Center of Alaska

ALABAMA

Alabama Disabilities Advocacy Program

ARKANSAS

Disability Rights Arkansas

ARIZONA

The Arc of Arizona

CALIFORNIA

Disability Rights California

COLORADO

Disability Law Colorado

CONNECTICUT

Disability Rights Connecticut

Down Syndrome Association of Connecticut

DISTRICT OF COLUMBIA

DC Special Kids

DELAWARE

The Arc of Delaware
Down Syndrome Association of Delaware

FLORIDA

Down Syndrome Association of Brevard
Down Syndrome Foundation of Florida
Disability Rights Florida

GEORGIA

Jewish Family and Career Services

HAWAII

Center on Disability Studies (HI UCEDD), University of Hawaii at Manoa
Hawaii Disability Rights Center
Hawaii Self Advocacy Advisory Council
Hawaii State Council on Developmental Disabilities

IOWA

Disability Rights Iowa
Northwest Iowa Down Syndrome Society

IDAHO

Disability Action Center - Northwest
Idaho State Independent Living Council
Living Independence Network Corporation
National Alliance on Mental Illness of Idaho

ILLINOIS

Easterseals
Illinois Council on Developmental Disabilities

INDIANA

Down Syndrome Indiana
Indiana Disability Rights

KANSAS

Disability Rights Center Kansas

KENTUCKY

Kentucky Protection and Advocacy

LOUISIANA

Disability Rights Louisiana

People First of Louisiana

MASSACHUSETTS

Disability Law Center of Massachusetts

MARYLAND

Chesapeake Down Syndrome Parent Group

Maryland Developmental Disabilities Council

MAINE

Disability Rights Maine

Maine Developmental Disabilities Council

MICHIGAN

The Arc Michigan

Coalition for Citizens with Disabilities

MINNESOTA

The Arc Minnesota

Mid Minnesota Legal Aid/Minnesota Disability Law Center

MISSOURI

Down Syndrome Guild of Greater Kansas City

MISSISSIPPI

Disability Rights Mississippi

Brain Injury Association of Mississippi

Mississippi ABLE Board

MONTANA

Disability Rights Montana

Rural Institute for Inclusive Communities

Montana Council on Developmental Disabilities

NORTH CAROLINA

Disability Rights North Carolina

NORTH DAKOTA

Designer Genes of North Dakota, Inc.

NEBRASKA

Disability Rights Nebraska
Down Syndrome Alliance of the Midlands
NEW HAMPSHIRE
Disability Rights Center New Hampshire
NEW JERSEY
The Arc of New Jersey
Center for Independent Living Inc.
Disability Rights New Jersey
JFS of Atlantic & Cape May Counties Atlantic
The Supportive Housing Association of NJ
NEW MEXICO
Arc of New Mexico
Disability Rights New Mexico
NEVADA
Nevada Disability Advocacy & Law Center
United Spinal Association
NEW YORK
Disability Rights New York
OHIO
Down Syndrome Association of Greater Cincinnati
OKLAHOMA
Oklahoma Disability Law Center, Inc.
The Arc of Oklahoma
OREGON
Disability Rights Oregon
PENNSYLVANIA
The Arc of Greater Pittsburgh
Community Legal Services of Philadelphia
Disability Rights Pennsylvania
JEVS Human Services
JRS of Pennsylvania
PA Statewide Independent Living Council (PA SILC)

Self Advocates United as 1, Inc.
The Arc of Pennsylvania
Vision for Equality, Inc.
RHODE ISLAND
Rhode Island Developmental Disabilities Council
SOUTH CAROLINA
The Arc of South Carolina
Disability Rights South Carolina
SOUTH DAKOTA
Disability Rights South Dakota
South Dakota Council on Developmental Disabilities
South Dakota Parent Connection
TENNESSEE
Autism Tennessee
Down Syndrome Association of Middle Tennessee
GiGi's Playhouse Nashville
TN Council on Developmental Disabilities
TEXAS
Disability Rights Texas
Houston JFS
UTAH
Disability Law Center of Utah
VIRGINIA
Virginia Board for People with Disabilities
VERMONT
Disability Rights Vermont
WASHINGTON
The Arc of Washington State
Washington State Developmental Disabilities Council
WISCONSIN
The Arc Eau Claire, Inc.
The Arc Greater Columbia County

The Arc Wisconsin
The Arc-Dane County
Down Syndrome Association of Wisconsin, Inc.
Waupaca County ARC Inc.
WI Board for People with Developmental Disabilities
WEST VIRGINIA
Center for Excellence in Disabilities
Disability Rights of West Virginia
Fair Shake Network, Inc.
WV Olmstead Council
WYOMING
Wyoming Governor's Council on Developmental Disabilities/WYABLE



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

May 27, 2022

The Honorable Tim Scott
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

Dear Senator Scott,

On behalf of the Palmetto ABLÉ Savings Plan, I would appreciate your consideration of cosponsoring the ABLÉ Age Adjustment Act [S. 331/H.R. 1219] which extends the qualifying age of disability onset for ABLÉ account eligibility.

Since the passage of the ABLÉ (*Achieving a Better Life Experience*) Act in 2014, over 100,000 ABLÉ accounts have been opened nationwide and more than \$1 billion has been invested in these accounts. Currently there are more than 2,500 ABLÉ accounts open in South Carolina, with \$21 million in assets under management. Palmetto ABLÉ savings accounts are helping many individuals with disabilities in our state enhance their quality of life without fear of losing vital means-tested benefits.

I am proud to serve as administrator for South Carolina's Palmetto ABLÉ program. These tax-favored 529-A accounts are designed to enable individuals with disabilities to save for and pay for disability-related expenses. We know that ABLÉ accounts are an important tool not only for individuals with disabilities but also for their families. The plan is designed to help families address current needs as well as provide a vehicle to plan for the future care and well-being of their loved ones with disabilities.

Increasing the qualifying age threshold from 26 to 46 is crucial for many persons living with disabilities who are currently not eligible to open an ABLÉ account. The limitation on eligibility based on age of onset of disability did not exist in the original ABLÉ legislation, but was added at the end of the ABLÉ Act's nearly ten-year legislative history to reduce the bill's score and get it over the finish line. This concession resulted in otherwise-eligible individuals with disabilities - many of whom fought for years to get the ABLÉ Act passed - being prevented from realizing

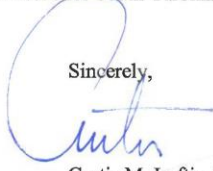
the benefits associated with the ABLE Act based solely on the age at which they became disabled.

Data collected by the National Association of State Treasurers (NAST) shows that the number of ABLE accounts being opened is much lower than anticipated. The expansion of eligibility will enhance the long-term sustainability, availability, and affordability of ABLE programs for individuals with disabilities.

On behalf of the Palmetto ABLE Savings Plan, I want to thank you for your attention on this matter. If you want to sign onto the legislation as a cosponsor or if your staff has questions, please have your staff contact Josh Dubensky at (202) 228-3771 in Senator Casey's office. If you have questions about our Palmetto ABLE program, please have your staff reach out to Karen Crider at 803.734.0725.

I appreciate your consideration of this very important issue for South Carolinians with disabilities.

Sincerely,



Curtis M. Loftis, Jr.
South Carolina Treasurer

CML/ebf

cc Chris Hunter, NAST

Best Wishes



STATE OF INDIANA
OFFICE OF THE TREASURER
INDIANAPOLIS
46204

KELLY M. MITCHELL
TREASURER OF STATE

June 2, 2022

The Honorable Senator Young
United States Senate
185 Dirksen Senate Office Building
Washington DC 20510

Dear Senator Young,

I write today to ask for your co-sponsorship of S.331, the ABLÉ Age Adjustment Act, a bipartisan bill championed by Senator Casey (D-PA) which expands the age of eligibility for Americans with disabilities to open an Achieving a Better Life Experience (ABLE) savings account.

Since the passage of the ABLÉ Act in 2014, over 112,000 ABLÉ accounts have been opened nationwide and more than \$1 billion has been invested in these accounts. Tax-favored ABLÉ accounts are designed to enable individuals with disabilities to save and pay for disability-related expenses and are an important tool to increase independence and quality of life without jeopardizing eligibility for critical means-tested benefits. Indiana's ABLÉ program, INvestABLE Indiana, was created in 2017 and currently manages over 1,200 ABLÉ accounts with approximately \$10,000,000 in assets under management.

While ABLÉ accounts have been and continue to be incredibly valuable resources for thousands of Americans, the current age of onset fails to appropriately address the financial hardships for many individuals who become disabled after the age of 26, specifically younger adults who find themselves facing the rest of their lives with disabilities including veterans, first responders, and those involved in major accidents. The ABLÉ Age Adjustment Act would help address this issue by changing the age of disability onset from 26 to 46 years old. The National Disability Institute projects that this simple change will allow up to 6 million more Americans with disabilities—including over 1 million veterans—to open an ABLÉ savings account and increase their financial wellbeing and quality of life.

Not only will this significant change allow millions more Americans the chance to save for their future, but it will support growth of all ABLÉ programs. This growth will result in states incurring lower costs in administering their programs and lower fees experienced by Account Owners. Expanding account eligibility will enhance the long-term sustainability, availability, and affordability of ABLÉ programs across the country.

Thank you for your attention to this matter. Please contact Michael Gamel-McCormick (michael_gamel-mccormick@aging.senate.gov) in Senator Casey's office with questions or to cosponsor the ABLÉ Age Adjustment Act. If you have questions about Indiana's ABLÉ program, INvestABLE Indiana, please feel free to reach out to me at kemitchell@tos.in.gov or our Executive Director, Amy Corbin at acorbin@tos.in.gov.

Thank you for your consideration of this important issue.

Sincerely,

Kelly M. Mitchell
Treasurer of State

(317) 232-6386 • FAX (317) 233-1780 • www.state.in.gov/tos



November 20, 2019

The Honorable Senator Chuck Grassley
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley,

It's been five years since the Stephen Beck, Jr. Achieving a Better Life Experience (ABLE) Act was passed, finally empowering Americans with disabilities to save money for qualified disability expenses without the fear of losing federal benefits. This was a major step forward for people in the United States who live with a disability. However, as we celebrate the fifth anniversary of the ABLE Act, we are reminded that millions of Americans with disabilities remain unable to enroll in ABLE programs because of an age restriction in the law. We must continue, and even accelerate, the ABLE Act's progress over the next five years by passing the ABLE Age Adjustment Act, which would raise that age cap.

In the midst of one of the most politically contentious times in recent American history, the passage of the ABLE Age Adjustment Act is commonsense, and the Senate Special Committee on Aging should act to advance with bipartisan support. The bill would expand the pool of eligible individuals to improve their financial lives, including over one million veterans with disabilities.

Prior to the ABLE Act's passage in December 2014, Americans with disabilities risked losing their federal Supplemental Security Income benefits anytime they saved over \$2,000 in their own name. Under these circumstances, Stephen Beck, Jr., set out to find a way for his daughter, who has Down syndrome, to save for the additional expenses that come with living with a disability including her future medical expenses, specialized education, and ongoing supports. Beck's subsequent plan became the basis of the ABLE Act, which created tax-advantaged savings accounts for people with disabilities and their families that do not jeopardize eligibility for federal and state disability benefits.

Five years later, ABLE accounts are used by beneficiaries and offered by 42 states and the District of Columbia. There are 45,928 open ABLE accounts with assets of \$259.8 million and an average account balance of \$5,656, all of which illustrate the importance of these programs for those who can access them under the current law.

These numbers, nonetheless, could be much larger. The 45,928 accounts reflect only a small percentage of Americans with disabilities. However, many Americans – most notably, veterans – acquire or develop a disability after the age of 26 and therefore cannot save with the same benefits and protections as those who have ABLE accounts. Based on the current legislation, those Americans who develop disabilities later in life are unable to participate in the program and left at a greater disadvantage.

President

David Damschen, UT

Executive Committee

Duane Davidson, WA
Michael Frerichs, IL
Deborah Goldberg, MA
Seth Magaziner, RI
Dennis Milligan, AR
Kelly Mitchell, IN
Beth Pearce, VT

Executive Director

Shaun Snyder

1201 Pennsylvania Ave, NW
Suite 800
Washington, DC 20004

www.NAST.org

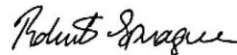
On Tuesday, November 19, Senators Bob Casey (D-Pa.), Jerry Moran (R-Kan.), and Chris Van Hollen (D-Md.) will host a reception officially celebrating five years of ABLE. This milestone is, of course, worthy of celebration, but we must also join him in going one step further – by advocating to expand the ABLE Act. Senators Bob Casey (D-Pa.), Jerry Moran (R-Kan.), Chris Van Hollen (D-Md.), and Pat Roberts (R-Kan.) introduced S. 651/H.R. 1814, the [ABLE Age Adjustment Act](#) to accomplish this very task. Their proposed legislation would raise the ABLE Act’s age restriction from 26 to 46 years of age, allowing many more Americans with disabilities, including over one million veterans, and their families to open ABLE accounts, finally empowering them to save for their future.

For most people, feeling worried about having too much, rather than too little, in a savings account seems unimaginable. But for too many Americans with disabilities and their families, this dilemma is an ongoing reality.

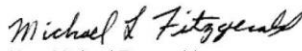
While we celebrate five years of this important and essential program, we must also work to ensure greater access to ABLE accounts by more Americans with disabilities and urge you to swiftly act to pass into law S. 651/ H.R. 1814, the ABLE Age Adjustment Act.



Hon. Michael Frerichs
Illinois State Treasurer &
Chair, NAST ABLE Committee



Hon. Robert Sprague
Ohio State Treasurer &
Vice-Chair, NAST ABLE Committee




Hon. Michael Fitzgerald
Iowa State Treasurer



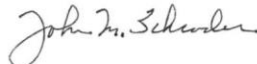
Hon. Dale R. Folwell, CPA
North Carolina State Treasurer



Hon. Randy McDaniel
Oklahoma State Treasurer



Hon. Kelly Mitchell
Indiana State Treasurer



Hon. John Schroder
Louisiana State Treasurer



TREASURY DEPARTMENT
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PA 17120

STACY GARRITY
TREASURER

February 25, 2021

The Honorable Robert P. Casey, Jr.
United States Senate
393 Russell Senate Office Building
Washington, DC 20510

Dear Senator Casey:

Thank you for your consistent dedication to America's disability community, your role in introducing and passing the federal Achieving a Better Life Experience (ABLE) Act of 2014, and the recent re-introduction of the ABLE Age Adjustment Act.

Here in Pennsylvania, the PA ABLE program continues to be one of the largest and fastest-growing ABLE programs in the nation. Thousands of PA ABLE account owners have saved more than \$48 million – an achievement which recently contributed to lower investment fees across the National ABLE Alliance, as the Alliance met its \$150 million asset milestone.

The power to save is something every one of our constituents deserves access to. The ABLE Age Adjustment Act will make this opportunity more accessible to our friends and neighbors who rely on benefits such as Supplemental Security Income, but also need the ability to save for their sometimes-daunting disability-related expenses.

As a retired U.S. Army Reserve Colonel, the expansion included in the ABLE Age Adjustment Act is personal, as it will benefit approximately one million of my brothers and sisters in service. Making it easier to save their own money will increase their independence and financial peace of mind without losing access to benefits they need. These deserving patriots and heroes have disabilities as direct results of their selfless service to our country. The ABLE Age Adjustment Act is one small way to show that we recognize and appreciate their incredible sacrifice.

As Treasurer, one of my goals is to expand opportunity for every Pennsylvanian, and I am pleased to support the ABLE Age Adjustment Act.

Again, thank you for your commitment to the disability community. Let me know how I can be of assistance as you work toward enactment of this important legislation.

Sincerely,

A handwritten signature in blue ink that reads "Stacy Garrity".

Stacy Garrity
Pennsylvania State Treasurer



Michael L. Fitzgerald
Treasurer of State

Capitol Building
1007 E Grand Ave.
Des Moines, IA 50319

April 22, 2022

The Honorable Chuck Grassley
United States Senate
Hart Senate Office Building
Washington DC 20510

Dear Senator Grassley,

When we have had the opportunity to meet in person two years ago, we discussed the Achieving a Better Life Experience (ABLE) Age Adjustment Act. Last year, Senator Robert Casey re-introduced the bill in a bi-partisan manner, joined by original cosponsors Senators Jerry Moran, Ron Wyden, Chris Van Hollen, John Boozman, Richard Blumenthal and Lisa Murkowski. Today there are 17 cosponsors to S.331, and I am asking for you to consider becoming a cosponsor. As I mentioned when we spoke, the passage of this bill would provide many more Iowans the opportunity to be empowered to save for their disability related expenses.

Just last month (March 17, 2022) an Iowan testified before the Special Committee on Aging (link provided [here](#)). Shelly Jaspering is 44 years old, lives in Ames and is working part time. She talked to the Committee about how an accident at age 28 left her disabled and in a position not allowing her to save money for emergencies. This is a story we hear regularly, Iowans who want to have a savings account to help provide for themselves.

Since the passage of the ABLE Act in 2014, over 112,000 ABLE accounts have been opened nationwide and more than \$1 billion has been invested in these accounts. Here in Iowa, \$16 million has been contributed to IABLE accounts since we opened the program in 2017. Even more important, over \$3.6 million has been distributed as qualified withdrawals, helping Iowans with disabilities pay for those expenses they need. Today over \$13.8 million is invested in the program with over 1,500 participants.

Iowa is a founding member of the National Able Alliance (NAA), a bi-partisan group of states who came together to offer best in class ABLE programs to their citizens. The following NAA states have Senators supporting this bill: Kansas, Arkansas, Connecticut, Minnesota, Pennsylvania, Rhode Island and Illinois. We would really like Iowa to be on that list!

Page 2
Senator Grassley
April 22, 2022

Tax-favored ABLE accounts are designed to enable individuals with disabilities to save for and pay for disability-related expenses. ABLE accounts are an important tool to increase independence for individuals with disabilities and help enhance their quality of life. Currently ABLE accounts are only available to those who became disabled before the age of 26. Expanding the age from 26 to 46 would allow many in the disability community to gain financial wellbeing.

The limitation on eligibility based on age of onset of disability did not exist in the original ABLE legislation, but was added at the end of the ABLE Act's nearly ten-year legislative history to reduce the bill's score and get it over the finish line. The National Disability Institute projects by increasing the age cap for ABLE accounts, over 6 million more people will have access to this program and will provide millions of more people who are living with a disability an opportunity for financial security and improving their quality of life.

Beyond the issue of equity for increasing the age of onset, it is becoming a financial imperative to pass the ABLE Age Adjustment Act. There are currently 46 states with ABLE programs, yet data collected by the National Association of State Treasurers (NAST) shows that the number of ABLE accounts being opened is much lower than anticipated. This expansion of eligibility will enhance the long-term sustainability, availability, and affordability of some ABLE programs for individuals with disabilities.

If you would like to sign onto the legislation as a cosponsor or if your staff has questions, please have your staff contact Michael Gamel-McCormick at (202) 224-4193 or Grace Hart at (202) 657-2958 in Senator Casey's office. If you have questions about IAble, please have your staff reach out to Karen Austin, my Chief of Staff, at (515) 281-7677. I would be happy to meet with you virtually if you would like to discuss this program. Thank you for the consideration.

Sincerely,



Michael L. Fitzgerald
State Treasurer

February 22, 2021

The Honorable Robert Casey
United States Senate
Washington, DC 20510

The Honorable Jerry Moran
United States Senate
Washington, DC 20510

Dear Senators Casey and Moran,

The undersigned military and veteran service organizations, representing current and former servicemembers, their families, and survivors, would like to express our support for the *Achieving a Better Life Experience (ABLE) Age Adjustment Act*. This legislation would make ABLE accounts accessible to disabled veterans who might seek to improve their health and quality of life while maintaining eligibility for important public benefits.

ABLE accounts have the potential to help all Americans with disabilities who depend on federally funded, means-tested benefits including Medicaid and Supplemental Security Income (SSI). Unlike those who did not serve and become injured in the line of duty, veterans with service-connected disabilities will often find these programs inaccessible due to Department of Veterans Affairs (VA) disability compensation. As such, ABLE accounts would create the opportunity for some of the most catastrophically wounded veterans to qualify for additional aid while also saving money to plan and pay for health and quality of life expenses not covered by VA. This would especially help Reserve and National Guard members who have difficulty getting approved for VA disabilities because of missing medical records.

The *ABLE Age Adjustment Act's* key provision – raising the age of disability onset from 26 to 46 – would make ABLE accounts more widely available to the community of those who served. Department of Defense data shows that the average age of medical retirement for officers and enlisted service members alike is well above 30. Accordingly, the *ABLE Age Adjustment Act* is a virtual necessity for creating wide accessibility for disabled veterans and increasing financial stability for those who may need it the most.

TMC thanks you for your leadership on this issue and your unwavering commitment to Americans with disabilities, including those veterans and servicemembers who became wounded, ill, or injured in the line of duty. We look forward to working with you to ensure the passage of this important legislation.

Sincerely,

Association of Military Surgeons of the United States (AMSUS)
Chief Warrants & Warrant Officers Association of the U.S. Coast Guard (CWOAUSCG)
Fleet Reserve Association (FRA)
Jewish War Veterans of the United States of America (JWV)
Marine Corps League (MCL)
Military Chaplains Association of the United States of America (MCA)
National Military Family Association (NMFA)
Naval Enlisted Reserve Association (NERA)
Non Commissioned Officers Association (NCOA)
The Independence Fund (TIF)
United States Army Warrant Officers Association (USAWOA)
Vets First
Wounded Warrior Project (WWP)

Wounded Warrior Project
1120 G St. NW, Suite 700
Washington, DC 20005
☎ 202.558.4302
☎ 202.898.0301



February 21, 2021

The Honorable Robert P. Casey, Jr.
United States Senate
Washington, DC 20510

The Honorable Jerry Moran
United States Senate
Washington, DC 20510

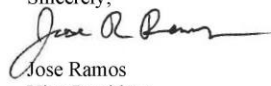
Dear Senators Casey and Moran,

Wounded Warrior Project (WWP) is committed to empowering our nation’s wounded, ill, and injured veterans through programs, services, and advocacy to help them thrive in the communities where they live and work. While our mission often brings our focus to veteran-specific legislation, I write today to share WWP’s support for the *Achieving a Better Life Experience (ABLE) Age Adjustment Act* and what it proposes to do for Americans with disabilities, including thousands of veterans we serve.

As you know, ABLE accounts were established to provide certain individuals with disabilities with tax-advantaged savings accounts to pay for disability-related expenses. For many, a critical feature of ABLE accounts is the ability to work and save money without jeopardizing access to important federal programs like Supplemental Security Income (SSI) and Medicaid. For veterans who have suffered catastrophic injuries, ABLE accounts can be a valuable tool to plan for the future and pay for health and quality of life expenses that the Department of Veterans Affairs may not be able to cover.

Under current law, ABLE accounts are only available to those who became disabled before the age of 26. According to Department of Defense data, the average age of an enlisted service member who retires from the military due to disability is 34.4 years old. For officers, the average is 39.2 years old. By expanding the program’s eligibility to age 46, the *ABLE Age Adjustment Act* will allow many of the warriors we serve to invest in their long-term goals and achieve the resiliency, independence, and confidence we seek to foster.

I want to thank you for your leadership and advocacy on behalf the disabled population. Wounded Warrior Project looks forward to working with you to ensure the *ABLE Age Adjustment Act* is passed into law. Please feel free to direct your staff to Mr. Brian Dempsey, Government Affairs Director, who has been leading our efforts. Mr. Dempsey can be reached at 904-465-6903 or via e-mail at bdempsey@woundedwarriorproject.org.

Sincerely,

Jose Ramos
Vice President
for Government and Community Relations

DUTY ★ HONOR ★ COURAGE ★ COMMITMENT ★ INTEGRITY ★ COUNTRY ★ SERVICE

woundedwarriorproject.org

SUBMITTED BY SENATOR CORTEZ MASTO

**YWCA IS ON
A MISSION**

eliminating racism
empowering women
ywca

June 3, 2022

The Honorable Catherine Cortez Masto
U.S. Senate
Washington, DC 20510

The Honorable John Cornyn
U.S. Senate
Washington, DC 20510

Dear Senators Cortez Masto and Cornyn:

On behalf of YWCA USA, a network of nearly 200 local associations in 45 states and the District of Columbia, **I write to thank you for the introduction of the Savings Access for Escaping and Rebuilding (SAFER) Act (S. 3993)**. Informed by our extensive history, the expertise of our nationwide network, and our collective commitment to meeting the needs of survivors and their families, **we urge Senators to follow your lead and co-sponsor and pass this critical bill.**

As the largest network of domestic and sexual violence service providers, YWCAs have been on the frontlines providing gender-based violence services. Today, these services include safe and secure housing, crisis hotlines, counseling, court assistance, family justice centers, and other trauma-informed community and safety programs to more than 500,000 women, children, and families in a typical year. YWCAs are committed to our mission of eliminating racism, empowering women, and promoting peace, justice freedom and dignity for all. In a typical year, we are proud to serve as many as 2.3 million women, children and family members of all ages and backgrounds in more than 1,200 communities across the country.

As a result, we see first-hand the urgent and growing need to strengthen the economic security of survivors and their families. Financial abuse is a common tactic used by abusers to maintain control and power over their victims. The forms of financial abuse may be subtle or overt but often include tactics to conceal information, limit the victims' access to assets, or reduce access to family finances. As with all forms of abuse, financial abuse occurs across all socio-economic, educational, and racial and ethnic groups. Today, [research indicates](#) that financial abuse occurs in 99% of domestic violence cases and was one of the top reasons survivors cited for staying or returning to an abusive partner.

The economic impact of the COVID-19 pandemic resulted in unprecedented numbers of layoffs and loss of income, increasing unemployment in April 2020 to a level not seen since the 1930s. Although America's job recovery has been strong overall, women and particularly women of color continue to bear the brunt of the resulting economic devastation and job losses, in part due to their disproportionate representation in health care, child care, and other front line industries. While men have returned to their pre-pandemic labor force size, as of March 2022, [more than 1.1 million fewer women are in the labor force today than in February 2020](#). Today, survivors who manage to escape financial abuse are now forced to face increased and overwhelming odds in obtaining long-term security and safety during the ongoing economic fallout of the COVID-19 pandemic.

YWCA.ORG

YWCA USA
1400 Eye Street NW, Suite 325
Washington, DC 20005

The SAFER Act (S. 3993) takes important steps to update retirement policy and strengthen the economic security of survivors and their families. If passed, this bill would allow survivors to withdraw up to \$10,000 penalty-free from their retirement plans for one year following domestic violence. It would also allow victims to replace the withdrawn funds over a period of three years.

During a time of extreme crisis for women experiencing domestic violence and the financial abuse that is so common in domestic violence situations, the SAFER Act provides a critical financial lifeline to safety. The flexibility and increased access afforded through the SAFER Act is critical to helping survivor avoid unemployment and homelessness. Access to retirement funds would also provide survivors the option to access social services, seek shelter, and build a bridge to a more stable life.

Earlier this year, the U.S. House of Representatives passed this bill by a vote of 414-5, signaling its overwhelming bipartisan support. Now, we call on your Senate colleagues to follow the lower chamber's lead, **stand with survivors of domestic violence, and pass the Savings Access for Escaping and Rebuilding (SAFER) Act (S. 3993).**

Thank you for your time and consideration. Please contact Pam Yuen, YWCA USA Director of Government Relations, at pyuen@ywca.org or 202-559-7022 if you have any questions.

Sincerely,



Margaret Mitchell
CEO, YWCA USA

CC: U.S. Senate

YWCA.ORG

YWCA USA
1400 Eye Street NW, Suite 325
Washington, DC 20005



May 25, 2022

The Honorable Catherine Cortez Masto
U.S. Senate
Washington, DC 20510

The Honorable John Cornyn
U.S. Senate
Washington, DC 20510

Dear Senator Cortez Masto and Senator Cornyn:

On behalf of the undersigned organizations that represent national organizations working to end domestic and sexual violence, thank you for championing the *Savings Access for Escaping and Rebuilding (SAFER) Act*.

As you know, the SAFER Act is an important change to retirement policy to allow survivors to withdraw up to \$10,000 penalty-free from their retirement plans for a year following domestic violence and would permit them to replace the funds withdrawn over a period of three years. We were pleased to see this provision pass the House as part of the Securing a Strong Retirement Act (H.R. 2954) in March by an overwhelmingly strong bipartisan vote of 414-5. This strong House vote coupled with your leadership in the Senate gives us hope that this change will become law in this Congress.

Financial abuse is a common tactic used by abusers, and the connection between domestic violence and an increased risk of unemployment and homelessness is clear. And then seeing the increased incidence of domestic violence during COVID just highlights even more the need for this policy change. Being able to access their retirement would allow a small group of survivors to build a bridge to a stable life as they leave their abusive relationship and avoid having to access other social services and seek shelter.

We look forward to working with you to enact this legislation this year. Thank you again for your leadership on the SAFER Act.

Sincerely,

Esperanza United (Formerly Casa de Esperanza National Latin@ Network)
Futures Without Violence
General Federation of Women's Clubs
Jewish Women International
National Coalition Against Domestic Violence
National Domestic Violence Hotline
National Network to End Domestic Violence (NNEDV)
YWCA USA