May 5, 2020

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

Request to Help Retirement Savers Recover from the COVID-19 Pandemic

We, the undersigned organizations, urge Congress as it considers measures to help our nation's economy recover from the COVID-19 pandemic, to address damage done to millions of Americans retirement security and put them back on a path to enjoy a secure and dignified retirement.

During the last two months, a "perfect storm" of factors – a drop in the stock market, business closures, record unemployment, all due primarily to government-imposed mitigation strategies employed to stop the spread of the virus – has put Americans' retirement security at great risk. Tens of millions have lost their jobs and their ability to make retirement contributions. Many, especially those closest to retirement, have lost significant amounts of their accumulated retirement account balances which will take years to recoup, potentially causing them to work longer and having to postpone their retirement. As a result of these unanticipated and unplanned for events, the retirement security of Americans has been placed in a precarious position.

We ask Congress to recognize the harm done to America's retirement security and adopt the five-point plan developed by the Insured Retirement Institute and endorsed by the undersigned organizations to create opportunities to help retirement savers recover from the pandemic. The plan is comprised of bipartisan, common-sense measures, all built on legislation Congress has already seen in some form.

The plan, outlined below, focuses on two key objectives. First, to help Americans save more today by keeping their tax-deferred retirement savings longer. Second, to strengthen retirement security for tomorrow by providing ways to save more now when America returns to work.

To create more opportunities for Americans to keep their tax-deferred retirement savings longer, so they may have a chance to recoup some of the losses incurred as a result of the stock market volatility during the COVID-19 crisis, we propose:

- ***Increase RMD Age***
  Increasing the required minimum distribution age (RMD) age from 72 to 75. By increasing the age limit at which retirement account holders must now begin minimum withdrawals from their accounts, will give individuals more time for the market to stabilize, rebound and grow and provide a chance to recoup losses suffered during the recent market drops over several more years.

- ***Eliminate Barriers for QLACs***
  Eliminating the regulatory barriers in place today that limit the ability of retirement savers to use qualified longevity annuity contracts (QLAC's) as a means to keep a portion of their retirement money longer, without having to make a RMD until the age of 85. A QLAC will also provide a retirement account holder to get a guaranteed lifetime monthly income payment that is akin to a "pension" and thereby have a way to reduce the risk of outliving their retirement savings as more and more Americans are living longer.

To help workers who have been negatively impacted by the COVID-19 pandemic to enhance their ability to save more now during their working years for their retirement, we propose:

- ***COVID-19 Catch-Up Contribution***
  Expanding the categories of individuals eligible to make retirement plan catch-up contributions to include those who have been affected by COVID-19 and its economic impacts, regardless of age. This will allow those who have been damaged by the pandemic the chance to achieve a financially secure retirement without extending time in the workforce.

- ***Allow 403(b) Plans to Participate in MEPs/PEPs***
  Allowing non-profit, public educational organizations and religious institutions to have the same ability to band together and join a multiple employer plan (MEP) or a pooled employer plan (PEP), as small businesses can. By joining a MEP or PEP, non-profit organizations would be able to share the administrative costs and burdens to achieve economies of scale, making the administration of a retirement plan simple and more effective and most importantly, enabling more employees to accumulate savings for their retirement years while employed.

- ***Clarify MEPs/PEPs Start-Up Plan Tax Credit***
  Affording more small business owners the opportunity to use the enhanced tax credit included in the SECURE Act, to offer their employees a workplace retirement plan through a MEP or PEP by clarifying the start-up credit would apply from the time a small business joins a MEP or PEP and not from the time the MEP or PEP begins operations. This measure would encourage more recovering small businesses to offer their returning employees a workplace retirement plan provided through a MEP or PEP.

Thank you in advance for your consideration and support for this imperative effort. We look forward to working with you and your staff to advance legislation that will significantly contribute to helping many Americans avoid facing a retirement savings crisis in the aftermath of this terrible pandemic. Please do not hesitate to contact any of the organizations below with any questions.

Sincerely,

AALU/GAMA
Insured Retirement Institute
National Association for Fixed Annuities
National Association of Independent Life Brokerage Agencies
National Association of Insurance and Financial Advisors
The ERISA Industry Committee