

House Committee To Vote on Bipartisan Retirement Legislation

Measure Will Improve Workplace Retirement Plans and Access to Lifetime Income Solutions

WASHINGTON, D.C., UNITED STATES, May 5, 2021 /EINPresswire.com/ -- A House Committee is expected to vote today on bipartisan retirement security legislation to enhance features of employer-provided retirement plans, expand the opportunities for more workers to save for retirement, and facilitate the use of protected lifetime income solutions.

The [Securing a Stronger Retirement Act of 2021](#) includes several provisions advocated by the Insured Retirement Institute (IRI). It also builds upon the success of the Setting Every Community Up for Retirement Enhancement (SECURE) Act, which was enacted in 2019.



“Retirement issues have a bipartisan legacy that continues with the Securing a Stronger Retirement Act,” said Wayne Chopus. “We are confident that Congress will act quickly to help more people build economic equity and strengthen financial security to sustain them throughout their retirement years,” said Wayne Chopus, IRI President and CEO.

The principal sponsors of the legislation are House Ways and Means Committee Chairman Rep. Richard Neal (D-Mass.) and Ranking Member Rep. Kevin Brady (R-Texas). Both worked together to forge a consensus to pass the SECURE Act in 2019, which was the most comprehensive retirement legislation in more than a decade. The bipartisan duo now aims to build upon that success with this new retirement security legislation.

The new legislation will enable millions more workers to build savings through employer-provided retirement plans. A key feature is an automatic enrollment provision for new employer-provided retirement plans. Auto-enrollment is a proven method for increasing worker participation. Employees who are automatically enrolled can opt out at any time, but most do

not as they watch their retirement savings grow over time. The measure also increases a tax credit for small business owners to encourage them to offer their employees a retirement plan.

Another provision addresses the plight of mostly younger workers with limited financial resources and significant student debt. It would permit employers to contribute to a workplace retirement plan for employees making student loan payments. For older workers, the legislation allows for larger catch-up contributions for Baby Boomers close to retirement. The legislation also increases the age at which retirees must take minimum distributions from retirement accounts, allowing more time for savings to grow.

Other provisions facilitate lifetime income solutions. The Neal-Brady legislation will allow greater use of Qualifying Longevity Annuity Contracts (QLACs) to insure against the risk of outliving retirement savings. These products also enable individuals to keep more of their tax-deferred savings longer and receive income to sustain them throughout their retirement years.

As the availability of private-sector pension plans has decreased in favor of 401(k) plans and Individual Retirement Accounts (IRA), workers increasingly shoulder the responsibility of accumulating savings to produce sustainable, lifetime retirement income.

“Longer life expectancies today mean retirement savings may need to last 30 years or more,” Chopus noted. “As a result, workers and retirees need tools to plan for sustainable income that lasts as long as they live. Lifetime income products like annuities are the only solution that can provide protected monthly income that in the past only traditional pensions have provided.”

IRI believes that the committee will approve the legislation and achieve similar support that propelled the SECURE Act into law. The SECURE Act passed the House of Representatives 417-3 in 2019.

“Chairman Neal and Ranking Member Brady are proven champions of retirement security on behalf of America’s workers and retirees,” Chopus said. “We expect this bipartisan legislation will be favorably reported out of committee and receive strong support on the House floor. We look forward to working with House leaders to expedite action on this bill and then work with Senate leaders to pass it and advance it to the White House.”

[IRI Letter](#) to House Ways and Means Committee

IRI President and CEO [Wayne Chopus op-ed](#) in Morning Consult

Daniel Zielinski

Insured Retirement Institute

+1 202-469-3026

[email us here](#)

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