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STATE OF CONNECTICUT  
OFFICE *of the* STATE COMPTROLLER  
55 Elm Street  
Hartford, CT 06106

February 14, 2017

The Honorable Joe Courtney  
2348 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Courtney,

I am writing to seek your support in preserving and strengthening the rights of Connecticut and other states to address a growing retirement savings crisis that threatens our state and national economy.

I am proud that Connecticut is among the states leading the way for retirement security. The Connecticut Retirement Security Authority savings program will ensure that retirement savings opportunities are more readily attainable for the 600,000 private-sector workers who lack access to a retirement savings plan through the workplace and who deserve financial security after a lifetime of work.

According to Connecticut-specific data from the Schwartz Center for Economic Policy Analysis at The New School, between 2000 and 2010, employers offering a retirement plan declined from 66 percent to 59 percent. In other words, four out of 10 workers residing in Connecticut do not have access to a retirement plan at work.

In Connecticut's market analysis conducted by Boston College, we found that these uncovered workers were more likely to earn lower income and are largely unserved by the financial sector, so their needs are often different from other 401(k) participants. It is important to protect against a transfer of wealth from the bottom to the top because high fees on low dollar accounts are a huge obstacle to retirement savings, particularly for lower income workers.

There is an entire generation of employees, many of them lifelong hard-working middle class people, who are headed to retirement financially unequipped, in part due to lack of access to a workplace-based retirement savings option. This is a problem, not only for those individuals and families who are financially forced to delay retirement indefinitely, but for our entire state and economy. In many cases, these individuals may be forced to turn to the state for assistance with health care, nursing care, food, housing, energy or other costly services.

The goal is not to compete or replace the private market, but to fulfill a significant unmet need in the market that must be answered for the sake of those families and our entire state economy. The market is currently failing to reach nearly half of our workforce even though the demand is there. According to an AARP 2015 survey, 64% of small businesses in Connecticut that were not offering a retirement plan stated that they would take advantage of a state plan if it were offered.

Connecticut was heartened by the U.S. Department of Labor rule last August, providing a safe harbor for states to conduct these programs. While we have been advised by several ERISA attorneys that the U.S. Department of Labor rule was not required, and that states already have the right to establish such programs, the proposed bills nullifying the U.S. Department of Labor rule and attempting to roll back states' rights may create a chilling effect on the companies who would want to administer these programs. I strongly urge you to vote against H.J.Res.66 and support states' rights to create these programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Lembo", with a horizontal line extending from the end of the signature.

Kevin Lembo  
State Comptroller