



February 13, 2017

Dear Representative:

On behalf of the two million members of the Service Employees International Union (SEIU), I urge you to vote against H.J. Res 66 and H.J. Res 67, resolutions disapproving of the Department of Labor's rules relating to retirement savings arrangements established by states and qualified state political subdivisions. The Department of Labor rules make it easier for small employers to offer their workers access to programs for retirement savings and achieve an essential component of the American dream.

MARY KAY HENRY
International President

GERRY HUDSON
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There is a retirement savings crisis in our country. Fifty-five million workers do not have access to a retirement savings plan at work. As a result, nearly half of all workers have no retirement assets—no pension, no 401(k), and no IRA. States have stepped in to begin to address this crisis with innovative legislation that gives workers the opportunity to set aside their own money in low-fee, professionally managed savings accounts. Importantly, private sector money managers and administrators will be hired to run these programs on behalf of the states, generating American jobs. The Department of Labor issued rules that clarified that employers would not be subject to the fiduciary responsibilities and reporting requirements of the Employee Retirement Income Security Act (ERISA) under these state initiatives.

In addition to helping workers achieve a dignified retirement, the state initiatives provide small businesses with easy, low-cost access to a retirement savings plan. Small employers are the least likely to offer retirement savings plans because the cost can be prohibitive and the ERISA requirements can be onerous at the start. The state initiatives also are fiscally prudent actions that will save public spending. A new study by Segal Consulting estimated that state Medicaid costs would be reduced by \$5 billion within the first ten years of implementation of the state plans. Those savings would grow exponentially over time as more workers retired with greater amounts of savings.

Five states—California, Connecticut, Illinois, Maryland and Oregon—have enacted legislation and will soon begin taking payroll contributions. About half of states have studied or are studying this concept. Massachusetts and Vermont are considering legislation that would also allow employer contributions. Contrary to misinformation being spread about these plans, the program funds are not guaranteed by the state, and state and participating employers will have no liability for the payment of retirement funds earned by the participants. These state plans are bipartisan public/private initiatives that appropriately use states as laboratories for innovation. They are a win for workers, for employers, and for governments at all levels.

SEIU is also deeply concerned with efforts under the Congressional Review Act (CRA) to circumvent the Executive Branch process of rulemaking and

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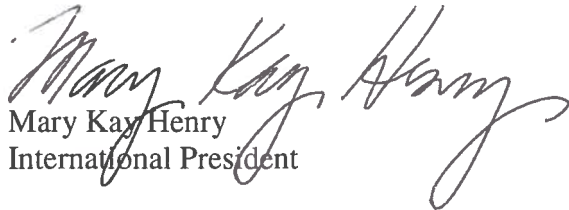


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issuing regulatory guidance. Using the CRA authority to undo Agency regulations and guidance crafted carefully and with public input strips away the importance of the rulemaking process. Using this authority could significantly weaken or undo past and future rules that protect workers.

SEIU respectfully urges you to vote against resolutions H.J. Res 66 and H.J. Res 67 disapproving of these important rules. We may add votes on this legislation to our legislative scorecard. If you have any questions please contact John Gray, Legislative Director, at 202-730-7669 or John.Gray@seiu.org.

Sincerely,



Mary Kay Henry
International President