

Opening Statement of Ranking Member Sablan (NMI-AL)
Subcommittee on Health, Employment, Labor, and Pensions Hearing
House Committee on Education and the Workforce
“Enhancing Retirement Security: Examining Proposals to Simplify and Modernize Retirement Plan Administration”
May 16, 2018 at 10 a.m.

Thank you, Chairman Walberg. I appreciate you convening today’s hearing.

Subcommittee Democrats and I are committed to responsible solutions that strengthen our country’s retirement system so that – after a lifetime of hard work – Americans can retire with security and dignity.

Today’s hearing focuses on four bipartisan bills, three of which are from Members of this committee. My Democratic Colleagues and I welcome the opportunity to work with our colleagues across the aisle on these issues. Today is an opportunity for Members to learn and ask constructive questions with the expectation that the bills will be marked-up by the Committee without delay.

Let me briefly discuss each one.

H.R. 854, the Retirement Security for American Workers Act, is co-authored by Reps. Vern Buchanan of Florida and Richie Neal of Massachusetts. The bill addresses multiple employer plans – or MEPs, as they are known.

A MEP is a single retirement plan for employees who work for different employers in the same industry. It allows businesses to share administrative costs and responsibilities while pooling employee contributions. They are different from multiemployer pensions, which are collectively bargained and a source of present concern.

H.R. 854 seeks to address barriers to the expansion of MEPs.

H.R. 4158, the Retirement Plan Modernization Act, introduced by Chairman Walberg and myself, makes a common sense and long overdue update to the safe harbor threshold by which employers could transfer the account of a former employee to an IRA. Our bill increases the limit from \$5,000 to \$7,600 and indexes it for inflation.

The third bill is H.R.4610, the Receiving Electronic Statements to Improve Retiree Earnings Act – or the RETIRE Act. Congressman Polis has long championed this particular bill; and Dr. Roe has partnered with him on it. I am one of the bill’s 39 co-sponsors.

The legislation allows retirement plans to automatically enroll participants into the electronic delivery of plan documents. Participants would still be provided an annual paper notice and have an opportunity and continue to receive paper copies.

Some questions have been about whether the RETIRE Act's consumer protections are sufficient and I look forward to hearing the witnesses' views on that as well as any of the other bills we are considering today.

The final bill is H.R. 4604, the Increasing Access to a Secure Retirement Act, co-authored by Chairman Walberg and Congresswoman Blunt-Rochester. This bill seeks to increase workers' access to lifetime income options or annuities in their retirement plan.

The retirement savings landscape has changed significantly over the past few decades and, with the dearth of traditional defined benefit pension plans, there is interest in offering workers access to annuities as part of their retirement planning strategy. Department of Labor "safe harbor" regulations have not resulted in the anticipated expansion of annuity offerings. H.R.4604 seeks to do that and clarify existing safe harbor regulations.

Before concluding, I would like to yield my final minute to the gentlelady from Delaware, Congresswoman Blunt Rochester.

###