

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

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TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce strongly supports H.R. 1994, the “Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019,” and we urge the Senate to expeditiously consider and approve this legislation. **The Chamber will consider including votes related to this bill in our annual “How They Voted” scorecard.**

The SECURE Act is a compilation of recent bipartisan and bicameral retirement legislation aimed at increasing coverage and easing administrative burdens.

A key component of the SECURE Act would facilitate the creation of open multiple employer plans (MEPs), which would allow unrelated businesses to band together to offer a retirement plan to their workers. It is estimated that MEPs would provide coverage for 700,000 American workers, many of whom work for small employers. This step would go a long way towards closing the retirement coverage gap, while maintaining important federal protections for participants under the Employee Retirement Income Security Act.

It is urgent that the Senate take up this House-passed bill because employers and plan sponsors are currently facing decisions for next year’s pension operations.

For example, the SECURE Act would help preserve the benefits of long-serving, older workers in frozen defined benefit pension plans. Application of the Internal Revenue Code non-discrimination rules to frozen pension plans can have the unintended consequence of forcing employers and plan sponsors to cease benefit accruals for many older, longer-service employees. Employers and plan sponsors must run projections now to determine whether to end benefit accruals for 2020, which could lead to immediate cuts to future benefit accruals.

The SECURE Act also contains other provisions that would enhance the current retirement system, such as:

- Increasing the 10 percent cap to 15 percent for the auto-enrollment safe harbor;
- Simplifying the 401(k) safe harbor;
- Allowing for trust-to-trust distributions of lifetime income products;
- Increasing the required minimum distribution age;
- Providing a fiduciary safe harbor for the selection of a lifetime income provider;
- Providing small employer startup and auto enrollment credits; and
- Allowing certain community newspapers to use pension funding rules that make contributions more manageable.

The Chamber strongly supports the SECURE Act and urges expeditious consideration of this important bipartisan legislation.

Sincerely,



Neil Bradley