A Secure Retirement for All

Thanks in part to the hard work of the United Auto Workers’ Union and the inclusion of defined benefit pension plans in contract negotiations at the end of 2023, the country is abuzz about pension plans. It is a priority of Senator Sanders as Chair of the Health, Education, Labor, and Pensions (HELP) Committee to build on this momentum by exposing the depth of the retirement crisis in America and to explore solutions that will allow all of our people to retire with dignity and security—not just the very wealthy. Key findings of this report include:

I. Background on the Size of the Problem
   • Nearly half of Americans 55 and older have no retirement savings.1
   • Roughly 52 percent of Americans 65 and older are living on less than $30,000 annually, and one in four survive on less than $15,000 per year.2
   • Nearly 5.3 million Americans 65 and older live in poverty, roughly 1 in 10 seniors.3
   • Nearly half of all Americans are at risk of a financially insecure retirement, up from one in three workers in 1983.4
   • The average monthly Social Security benefit in 2023 was about $1,782, or $21,384 annually.5
   • The top 20 percent of earners receive 63 percent of the $202 billion in annual income tax breaks for retirement accounts, while the bottom 60 percent receive just 13.4 percent of these breaks.6

II. Declining Access to Defined Benefit Plans
   • Nearly 30 percent of the workforce had a defined benefit plan in 1975; now only 13.5 percent do.7
   • More than 27.2 million workers participated in defined benefit plans in 1975, versus 11.2 million workers participating in defined contribution plans.8 In 2019, 85.5 million workers participated in defined contribution plans versus 12.6 million defined benefit plan participants.9
   • Defined benefit plans are the most cost-efficient way to provide retirement security that cannot be outlived. A defined benefit plan typically is 49 percent more cost effective than a defined contribution account.10
   • The Congressional Budget Office (CBO) found the shift from defined benefit to defined contribution plans may explain about one-fifth of the increase in wealth inequality from 1989 to 2019.11
   • Pension spending by retirees generated $1.3 trillion in economic output in 2020 alone.12
III. Limited Access to Retirement Plans

- Roughly 57 million Americans do not have a way to save for retirement easily and automatically out of their regular paycheck\(^{13}\) and only 13.5 percent of workers have a pension.\(^{14}\)
- Workers are 15 times more likely to save for retirement if they can do so via payroll deduction and 20 times more likely to save if access to a workplace retirement plan is automatic.\(^{15}\)
- State action on access to retirement plans has had quantifiable positive outcomes. As of December 2023, there are six state-facilitated automatic individual retirement accounts (IRA) programs up and running with more than $1.1 billion in assets under management.\(^{16}\)
- In the private sector, roughly 64 percent of union workers have a pension plan that guarantees an income in retirement compared to just 11 percent of non-union workers.\(^{17}\)

IV. Potential Solutions to the Retirement Security Crisis

- Expanding Social Security
- Retirement Security for All Legislation
- Ways to Bolster the Defined Benefit Pension System- Request for Information
I. Background

Given the enormous growth of the economy over the past several decades, one might expect that the outlook for retirees is improving. Yet, today nearly half of all Americans are at risk of a financially insecure retirement. This alarming statistic is on the rise, up from one in three workers in 1983 who faced the prospect of not being able to maintain their standard of living in retirement. Moreover, 52 percent of older Americans live on less than $30,000 annually and one in four are surviving on less than $15,000 per year.

a. Real People Tell Their Stories

These statistics are borne out in the real-life stories of Americans living in financial uncertainty or poverty in retirement. The stories of Americans scraping by, living on Social Security alone in retirement abound:

- “Roberta Gordon never thought she’d still be alive at age 76. She definitely didn’t think she’d still be working. But every Saturday, she goes down to the local grocery store and hands out samples, earning $50 a day, because she needs the money.

  “I’m a working woman again,” she told [the reporter], in the common room of the senior apartment complex where she now lives, here in California’s Inland Empire. Gordon has worked dozens of odd jobs throughout her life—as a house cleaner, a home health aide, a telemarketer, a librarian, a fundraiser—but at many times in her life, she didn’t have a steady job that paid into Social Security. She didn’t receive a pension. And she definitely wasn’t making enough to put aside money for retirement.

  So now, at 76, she earns $915 a month through Social Security and through Supplemental Security Income, or SSI, a program for low-income seniors. Her rent, which she has had to cover solo since her roommate died in August, is $1,040 a month.”

- Nancy Stokes, from Pennsylvania, told AARP that “Social Security is her only source of income—a $1,500 monthly spousal benefit. ‘Without Social Security, I would have had to sell the house.’ She’s frugal with groceries, utilities and even the occasional lunch at a restaurant with friends. ‘It’s kind of tight. I barely make it. You just hope something doesn’t break down,’ she says. Stokes took a reverse mortgage on her three-bedroom home to pay off accumulated property taxes…and has put herself on the lists for low-income senior housing, but she was told there could be a three-year wait.”

- Janis Lynn’s story is similar to those above, she is trying to get by on $1,500 per month from Social Security. She moved into public housing, got rid of her car and her pets because she could no longer afford them, and signed up for food stamps.
• Butch Marion, an 82-year-old Walmart clerk, was only able to retire after a crowdsourced GoFundMe campaign.\textsuperscript{24}

For many, retiring on Social Security alone means that some months you can afford to either keep the lights on or get your prescription refilled. The cost of health care in retirement is an enormous cost driver, for which many find themselves unprepared. One Vermonter shared that despite having half a million dollars to her name at retirement, she ran short of funds after being diagnosed with dementia.\textsuperscript{25} Her care cost more than $12,000 per month in 2023, leaving her quickly looking for other means of support.

Similarly, a 2023 New York Times article entitled “Dying Broke: Facing Financial Ruin as Costs Soar for Elder Care” described a frightening intergenerational picture and the toll health care costs take on retirement savings:\textsuperscript{26}

Claudia Morrell, 64, of Parkville, Md., estimated her mother, Regine Hayes, spent more than $1 million during the eight years she needed residential care for dementia. That was possible only because her mother had two pensions, one from her husband’s military service and another from his job at an insurance company, plus savings and Social Security… “I will never have those kinds of resources,” Ms. Morrell, an education consultant, said. “My children will never have those kinds of resources. We didn’t inherit enough or aren’t going to earn enough to have the quality of care she got. You certainly can’t live that way on Social Security.”

Even those lucky enough to have pensions worry that it is not enough, as one former transportation worker shared with the Pension Rights Center:

I worked hard at UPS for 31 years. I put up with mental anguish while my body took a physical beating from the tough standards that UPS demanded from its workers... The thing that kept me going all of those years was that I would be able to retire with a good pension and enjoy my later years. My wife doesn’t have a pension and I worry about what her life would be like if I happen to die before she does.\textsuperscript{27}

b. Statistics Paint a Stark Picture

Nearly half of Americans 55 and older have no retirement savings.\textsuperscript{28} Even by conservative measures, three out of four workers in this country are likely to outlive their retirement savings.\textsuperscript{29} Roughly 60 percent of Americans say that they will have to work longer and more than 30 percent say they will never be able to retire.\textsuperscript{30} Yet, the reality is that most people cannot work longer to make up for inadequate pensions even if they wanted to; older workers are often pushed out before they want to retire\textsuperscript{31} and experience difficulties finding new means of employment.\textsuperscript{32}

This is unsurprising as more than 57 million working Americans do not have a way to save for retirement easily out of their regular paycheck\textsuperscript{33} and only 13.5 percent of working-age individuals have a defined benefit or cash balance plan.\textsuperscript{34} Furthermore, access to a workplace
retirement account is correlated with income, wealth, gender, and race. The following depicts the gross inequity in access to workplace retirement plans by race:\footnote{35}

Along those lines, a recent study by the National Institute on Retirement Security (NIRS) found, Among Baby Boomers in 2019, white Boomers owned 91 percent of that generation’s financial assets, while Black Boomers only owned three percent and Hispanic Boomers owned two percent. For Baby Boomers, Generation X, and Millennials, white households owned three-fourths or more of financial assets in all three generations.\footnote{36}

Similarly, access to retirement plans varies widely by income:\footnote{37}
Finally, women face unique challenges that limit both their access to retirement accounts and ability to save for a financially secure retirement. Limited access to a retirement plan is due to many factors, but includes the fact that women are more likely to work part-time jobs that often provide less robust access to retirement plans (though this was improved by retirement legislation recently passed by Congress known as Secure 1.0 and 2.0) and lower incomes. This is a direct result of women making up more than two-thirds of this country’s caregivers, whether for children, spouses, or parents. The “motherhood penalty” is real—for example one study found that women with one child earn 28 percent less than women without a child, which drastically impacts their ability to save for retirement.

Gender also impacts Social Security benefits, as women receive 20 percent less in benefits than men on average given that benefits are based on average salary. Studies have shown women are saving less, with defined contribution account balances on average that are less than two-thirds of their male counterparts. Women are also more likely to live longer, putting additional pressure on retirement assets. This means that women can afford to spend 7 percent less per year than men. In total, this adds up to higher poverty rates for women in retirement, with 13 percent of women over the age of 80 living in poverty.

Given these statistics, it is unsurprising that 81 percent of Americans across party lines are concerned about retirement, while less than half are confident that the next generation will be better off financially. As Wall Street continues to amass a fortune, the economic confidence of working Americans has declined since 2002. In fact, a recent poll found that amongst a group of eight other financial concerns, retirement ranked top of mind for most respondents. Further, there is also bipartisan agreement that workers cannot do enough on their own to guarantee a secure retirement.

The results of this crisis are already apparent. The average monthly Social Security benefit in 2023 was about $1,782, or $21,384 annually. With that modest Social Security benefit, nearly 5.3 million Americans ages 65 and older live in poverty, roughly one in ten in that age bracket. If the aperture is expanded to include those who are 65 plus with incomes below 200 percent of the poverty level, that number jumps to 17 million older adults. More than half of Black and Hispanic adults over the age of 65 have incomes below 200 percent of the federal poverty level. Roughly one in seven seniors rely on Social Security for more than 90 percent of their income.

c. A Retirement System that Works for Only the Wealthy

The aforementioned statistics show that the current retirement system is not working for the vast majority of Americans. However, the system is working for Wall Street and the super wealthy.

At a time when 44 percent of households are not able to manage an unexpected $400 expense, billionaires have manipulated the tax code to stash millions in IRAs. For example, Peter Theil has $5 billion hoarded away in a “mega” Roth IRA—most of which will never be taxed and all of which could be passed on to his heirs. Over 2,000 top executives collectively have more than $13 billion hidden in special tax advantaged plans. The average CEO has about $14 million in their executive retirement plan benefits, and some have more than $200 million.
Top corporate executives continue to gain handsomely from corporate pension plans and compensation deferral programs, while low-wage workers largely do not. For example, while Walmart CEO Doug McMillon holds more than $169 million in deferred compensation, 46 percent of current and former Walmart workers eligible for defined contribution compensation plans with the company have nothing saved. 56 The same is true for Home Depot and Hyatt Hotels. At Hyatt, CEO Thomas Pritzker has $91 million saved in a tax advantaged plan while 36 percent of workers have nothing saved in their 401(k) accounts. At Home Depot, CEO Craig Menear has $14.8 million saved in a deferred compensation plan while 53 percent of eligible workers have nothing saved in employer sponsored retirement plans. 57

These examples are particularly egregious, but it’s worth noting that the broader tax breaks for retirement are generally skewed in favor of the wealthy. According to the CBO, the income tax break for exclusion and deferrals of pensions and retirement accounts is $202 billion annually, with the top 20 percent receiving 63 percent and the bottom 60 percent receiving just 13.4 percent of these breaks. 58 That means that at a time when 52 percent of elderly Americans are living on less than $30,000, we are sending $127 billion in tax breaks annually to those who need the least help. 59

Most Americans work all year and still don’t earn the $168,700 in income over which you can stop paying Social Security taxes. In contrast, Stephen Schwartzman, CEO of the private equity firm Blackstone, stopped paying Social Security taxes after less than 6 hours based on his 2022 compensation of $253.1 million. 60 Similarly, Apple CEO Tim Cook stopped paying payroll taxes after less than 15 hours.

In contrast, under the Social Security Expansion Act (discussed below in the Solutions section), the cap of over $250,000 would be eliminated for all income, meaning they would pay taxes on their income earned the whole year. As per the chart below, a selection of CEOs making $1.2 billion in 2022 would have to pay an additional $148 million in additional payroll taxes if the Social Security Expansion Act had been in place, including Schwartzman paying an additional $31.4 million and Cook paying $12.3 million more.
This country is at a turning point. America is facing a retirement security crisis. Congress can no longer afford to delay taking action—immediate solutions are needed in order for working Americans to live with dignity and security in retirement.

II. Declining Access to Defined Benefit Plans

The Employee Income Retirement Security Act covers two types of retirement plans—defined benefit and defined contribution. At the time of the passage of the Employee Retirement Income Security Act of 1974, IRAs were newly created and 401(k) plans were not yet in existence. Defined benefit plans were the primary means of providing retirement security. Also known as traditional pensions, defined benefit plans provide guaranteed income on a monthly basis in retirement that generally cannot be outlived. Defined benefit plans not only pool assets and risk, but utilize professional, fiduciary investment advice—meaning the risk of large losses is mitigated and conflicts of interest are avoided, leading to cost savings. These plans are also largely protected by federal insurance provided by the Pension Benefit Guaranty Corporation.

Since then, there has been a great shift to defined contribution plans, which do not guarantee a specified income in retirement, such as 401(k) plans or employee stock ownership plans. According to the Congressional Research Service (CRS), 27.2 million workers participated in defined benefit plans in 1975, versus 11.2 million workers participating in defined contribution plans.61 In 2019, 85.5 million workers participated in defined contribution plans versus 12.6 million defined benefit plan participants.
The CBO estimates that,

[I]n 2019 the total amount of defined benefit and defined contribution wealth was about equal—$15.8 trillion for defined benefit and $16.6 trillion for defined contribution, making up 14 and 15 percent of total augmented family wealth, respectively. In contrast, in 1989, total defined benefit wealth was 2.6 times that of total defined contribution wealth.\(^6^3\)

The above shows not just the shift to defined contribution plans, but also the relatively slow accumulation of assets in said plans due to limited uptake. Similarly, the following shows a stark picture of the state of retirement plan access in this country:\(^6^4,^6^5\)
The CBO also noted that defined benefit wealth is more evenly distributed amongst socioeconomic groups, whereas the broad shift to defined contribution plans accounted for about one-fifth of the increase in the share of wealth held by families in the top ten percent of wealth distribution scale. Private sector workers held roughly $9.4 trillion in defined contribution plans in 2021 and $13.2 trillion in IRAs. NIRS found that pension benefits were more equitable across race than defined contribution plans and women hold just over half of public pension wealth.

This shift away from traditional pension plans has many causes, including the decline in unionization density. Half a century ago, one in three workers was a member of a union; today that number is one in ten. This is crucial as 64 percent of union workers have a defined benefit pension plan versus just 11 percent of non-union workers in the private sector.

Another key driver of the shift to 401(k) style plans is that companies have an incentive to shift risk onto their employees. As CRS notes, “[f]rom an employer’s perspective, contributions to defined contribution plans tend to be a more predictable cost than contributions to defined benefit plans are. This is because employer contributions to defined benefit plans may include additional contributions to make up for investment losses, whereas in defined contribution plans employer contributions are typically based on a set formula that uses employee compensation.”

Companies have a variety of reasons for shifting from traditional pension plans to defined contribution-based accounts. As noted by researcher Ellen Schultz:

US companies siphoned billions of dollars in assets from their pension plans. Many, like Verizon, used the assets to finance downsizings, offering departing employees additional pension payouts in lieu of cash severance. Others, like GE, sold pension surpluses in restructuring deals, indirectly converting pension assets into cash. To replenish the surplus assets in their pension piggy banks, companies cut benefits…
Cutting benefits provided a secondary windfall: It boosted earnings, thanks to new accounting rules that required employers to put their pension obligations on their books. Cutting pensions reduced the obligations, which generated gains that are added to income… companies with massively overfunded pension plans went on a pension-cutting spree and began slashing retiree health benefits even when their costs were falling.\(^\text{73}\)

Yet, we know this has an outsized impact on workers:

Retirement savings accounts are a poor substitute for defined benefit pensions. Because they rely on employers voluntarily offering them and workers voluntarily participating in them, they often fall short in helping workers get close to a secure retirement. Workers often do not participate in them, contribute too little to them, experience too much financial risks with them and withdraw too much from them during their working years. Workers after all have to make all of the complex financial decisions related to such accounts, while also dealing with the challenges of low wage growth and increasing income instability.\(^\text{74}\)

While the causes of this phenomenon are well documented, the implications for individual savers are not often articulated. The shift from traditional defined benefit plans to defined contribution plans has made American workers responsible for planning, funding, and hedging against longevity, inflation, and market risk on their own, despite being the least equipped to manage those risks.

Traditional pension plans are also more cost efficient than defined contribution plans. A 2022 study found that a defined benefit plan typically “has a 49 percent cost advantage as compared to a typical defined contribution account, with the cost advantages stemming from longevity risk pooling, higher investment returns, and optimally balanced investment portfolios.”\(^\text{75}\) Research also shows investment and administrative costs for defined contribution plans can be more than four times higher.\(^\text{76,77}\)

<table>
<thead>
<tr>
<th>Investment Management Expenses By Sector and Fund Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE 401(K): S&amp;P INDEX FUND</td>
</tr>
<tr>
<td>PRIVATE 401(K): BALANCED FUND</td>
</tr>
<tr>
<td>PRIVATE 401(K): GLOBAL FUND</td>
</tr>
<tr>
<td>STATE AND LOCAL DEFINED BENEFIT</td>
</tr>
</tbody>
</table>
Pension plans offer numerous advantages, including but not limited to:

- Defined benefit plans are more likely to ensure an adequate standard of living in retirement, helping workers manage their savings over their lifetime.  
- Pensions are an effective way to reduce poverty across sex, education, and race.\(^7^8\)
- Defined benefit plans have higher investment earnings and lower fees on average than defined contribution plans.\(^7^9\)
- Pension plans often have built-in disability and survivor benefits.
- Defined benefit plans offer employees with little experience and financial literacy the ability to have an optimized portfolio.
- Pension plans are not generally cashed out upon job changes as defined contribution plans often do.
- Defined benefit plans are an effective recruitment, retention, and workforce management tool.

Defined benefit plans are also good for the economy. Currently, 23.2 million Americans over the age of 55 receive a pension, representing $5.6 trillion in household wealth.\(^8^0\) One recent study found that private and public pension spending by retirees generated $1.3 trillion in economic output in 2020 alone.\(^8^1\) This spending supported roughly 6.8 million jobs nationwide.\(^8^2\) It also generated $157.7 billion to local, state, and federal government revenue.\(^8^3\)

### III. Limited Access to Any Retirement Plans

To make matters worse, roughly half of all workers in this country—57 million Americans—lack access to any workplace retirement plan. This gap is particularly alarming, considering research shows that workers are 15 times more likely to save for retirement if they can do so via payroll deduction and 20 times more likely to save if access to a workplace retirement plan is automatic.\(^8^4\) Employees that were automatically enrolled in retirement plans saved roughly 40 percent more than those workers who had to opt into a retirement plan.\(^8^5\) The good news is that the adoption of automatic enrollment has tripled since 2007, and will continue to grow as the retirement package known as Secure 2.0, which Congress passed in 2022, is implemented.\(^8^6\)

States across the country have recognized the severity of this problem and taken action. According to data from the Georgetown Center on Retirement Initiatives, at least 25 states have introduced legislation to enact or study a state facilitated retirement savings program.\(^8^7\)
Most states with enacted programs require businesses of a certain size to offer their workers a way to save for retirement easily and automatically out of their regular paycheck. To make this easier on employers, the state sets up a back-up, plug and play IRA that is state facilitated and functions similarly to a 529 plan. Though they are all branded differently, they are generally referred to as state auto-IRA programs.

State action has had quantifiable positive outcomes. As of December 2023, there are six state facilitated auto-IRA programs up and running with more than $1.1 billion in assets under management.\(^8^8\) There are roughly 785,000 funded accounts across all six programs.\(^8^9\) Many of these accounts are held by first-time, small dollar savers. More than 190,000 employers are registered to defer money into these programs, with the average monthly contributions ranging from $105 in Connecticut to $183 in California.\(^9^0\)

It is time for the federal government to take the states’ lead. Congress took an important step in improving the Savers’ Credit in Secure 2.0. The new Savers’ Match will function as a federal matching contribution that will be deposited directly into low and moderate income savers’ retirement account. However, more can and must be done.

### IV. Solutions to the Retirement Security Crisis

There are numerous potential retirement solutions Congress might consider. This report will discuss two big picture options: Social Security Expansion and Retirement Security for All
legislation. The HELP Committee is also seeking input from stakeholders on ideas to revive and protect the defined benefit pension system.

a. Social Security Expansion

Social Security is the most successful government program in our nation’s history. Before Social Security was signed into law, nearly half of seniors lived in poverty. Today, while still far too high, the poverty rate for seniors is down to 9.2 percent. Through good times and bad, Social Security has paid every nickel owed to every eligible American—on time and without delay. That is an extraordinary accomplishment.

Despite inflammatory rhetoric to the contrary, Social Security is not going broke. Social Security has a $2.83 trillion surplus and can pay every benefit owed to every eligible American through 2033. If no action is taken before that time, the program will continue on a pay-as-you-go basis, which will be sufficient to pay roughly 77 percent of scheduled benefits.

Congress can and must act to strengthen and expand Social Security for generations to come by making the richest people in America pay their fair share into the system. Today, a billionaire pays the same amount of money into Social Security as someone who makes $168,600 a year because the Social Security payroll tax is capped.

Any solution to the retirement crisis starts with expanding Social Security. The most recent evidence indicates that around one in every seven seniors rely on Social Security for more than 90 percent of their income. Anyone who has tried to live on Social Security knows that it is not at all adequate.

Last year, Senator Sanders introduced the Social Security Expansion Act. According to the Chief Actuary of the Social Security Administration, if this bill had been signed into law in 2023, Social Security would be able to pay 100 percent of Social Security benefits owed to every eligible Americans for the next 75 years, benefits would increase by $2,400 a year and 93 percent of Americans making less than $250,000 a year would not see their taxes go up at all. This would be possible by applying the payroll tax on all income, including investment income, made by Americans earning over $250,000 a year.

Specifically, the Social Security Expansion Act, would:

- **Extend the solvency of Social Security for 75 years by requiring the wealthiest American households to pay their fair share of taxes.** Today, because of the earnings cap on Social Security taxes, a CEO making $20 million a year pays the same amount of money into Social Security as someone who makes $168,600 a year. This legislation would lift this cap and subject all income above $250,000 to the Social Security payroll tax. Under this bill, over 93 percent of households would not see their taxes go up by one penny;
Expand Social Security benefits across-the-board for current and new beneficiaries. Under this bill, Social Security benefits for current and existing recipients would be increased by $2,400 a year;

- **Increase Cost-Of-Living-Adjustments (COLAs).** This bill would more accurately measure the spending patterns for seniors by adopting the Consumer Price Index for the Elderly (CPI-E). Older Americans, by and large, are not going out on spending sprees buying big screen TVs, laptops, or the latest high-tech gadgets. Rather, they spend a disproportionate amount of their income on health care and prescription drugs, which would be reflected in the formula for calculating COLAs under this legislation;

- **Require millionaires and billionaires pay their fair share into Social Security.** Currently, workers have 12.4 percent taken out of each paycheck and contributed to the Social Security trust fund, half paid by the employer and half by the worker. This bill would require the wealthy pay the same 12.4 percent on their investment and business income, by increasing the net investment income tax by 12.4 percent and applying it to certain business income not already covered by payroll taxes; and

- **Improve the Special Minimum Benefit for Social Security recipients.** This bill would help low-income workers stay out of poverty by increasing the Special Minimum Benefit and indexing the benefit level so that it is equal to 125 percent of the poverty line, or over $18,000 for a single worker who had worked their full career;

**b. Retirement Security for All Legislation**

Another option under consideration builds off the work the states have done to ensure that everyone not only can save for retirement via their regular paycheck, but also facilitates guaranteed monthly income for the rest of their lives. This Retirement Security for All legislative proposal will have two components: universal coverage and the creation of a federally facilitated pension plan.

Under the universal coverage prong, businesses that have been operating for two years or more would be required to offer an automatic enrollment payroll deduction plan with lifetime income options to all employees (to include full, part-time, and 1099 workers). To satisfy the requirement a business can:

- Offer a defined benefit pension plan to its workforce (not just to highly compensated corporate officers);
- Offer a qualified defined contribution retirement plan that uses automatic enrollment, automatic reenrollment, and automatic escalation; the qualified plan must also offer a monthly income option (to include managed payout, annuities, and/or a social security bridge);
- Offer a state facilitated retirement plan with the above features; or
- Offer access to the federally facilitated pension plan.
To facilitate universal coverage, the federal government will set up a pension plan via public-private partnership for use by employers that they can choose to offer and do not have to run.

As the Committee works on this proposal, we actively seek input from consumer groups, states, providers, and other interested parties.

c. Ways to Bolster the Defined Benefit Pension System- Request for Information

The Chair is particularly interested in new ideas to bolster existing pension plans and drive the creation of new defined benefit pensions. As such, he requests legislative ideas from the public on this topic.

The Chair believes that defined benefit pensions already provide a better deal for workers and companies, but more can be done by Congress to promote defined benefit pensions. HELP Committee staff are taking a careful look at proposals to further protect pensions during company bankruptcy negotiations, reform the pension risk transfer process, update accounting and funding rules for pensions, and reassess Pension Benefit Guarantee Corporation premiums.

We know that there are many more ideas, big and small, that stakeholders have that would improve the system. Therefore, we encourage comments and proposals to be submitted to the HELP Committee staff pensions@help.senate.gov prior to May 1, 2024.

V. Conclusion

After a lifetime of hard work, Americans deserve to retire with dignity. But with our retirement system focused on increasing profits for Wall Street, a financially secure retirement is beyond the grasp of many workers. The time to change that is now.

On February 28th, the HELP Committee will hold a hearing to discuss the aforementioned data and proposals. The hearing, proposals, and report are intended to jump start a much-needed discussion, and we encourage people with ideas, suggestions, and stories to reach out to committee staff.

---

2 US Census Bureau, “PINC-01. selected characteristics of people 15 years and over, by total money income, work experience, race, Hispanic origin, and sex,” August 9, 2023. Available online: https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-01.html#par_textimage_10
8 Id.
9 Id.
15 Jacqueline Salmon, “State Programs, Federal Incentives Spur Rise in 401(k)s,” March 6, 2023. Available online: https://www.aarp.org/retirement/planning-for-retirement/info-2023/rise-in-401k-benefits.html#~:text=AARP%20Research%20has%20found%20that,so%20if%20contributions%20are%20automat
ic.
16 The states and programs are as follows: California (CalSavers), Illinois (Illinois Secure Choice), Oregon (Oregon Saves), Connecticut (My CT Savings), Maryland (Maryland Saves), and Colorado (Colorado Secure Savings).
19 Id.
20 US Census Bureau, “PINC-01. selected characteristics of people 15 years and over, by total money income, work experience, race, Hispanic origin, and sex,” August 9, 2023. Available online: https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-01.html#par_textimage_10.


41 Id.

42 Id.


Id.

Id.

Jacqueline Salmon, State Programs, Federal Incentives Spur Rise in 401(k)s, AARP, March 6, 2023. Available online: https://www.aarp.org/retirement/planning-for-retirement/info/2023/raise-in-401k-benefits.html#text=AARP%20Research%20has%20found%20that,so%20if%20contributions%20are%20automatic.

86 Id.

87 Georgetown Center on Retirement Initiatives, 2024 State Program Status. Available online: https://cri.georgetown.edu/states/.

88 The states and programs are as follows: California (CalSavers), Illinois (Illinois Secure Choice), Oregon (Oregon Saves), Connecticut (My CT Savings), Maryland (Maryland Saves), and Colorado (Colorado Secure Savings).


90 Id.


92 Id.
