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ASR Calls on Senate Aging Committee to Encourage Lifetime Income Options for Maximum Retirement Security

Coalition partners submit testimony on importance of a paycheck for life

WASHINGTON, DC – Today, leading members of Americans for Secure Retirement (ASR), a retirement issues advocacy coalition, called on the United States Senate Special Committee on Aging to give more Americans access to vehicles providing guaranteed lifetime income in retirement. This comes as the Committee holds a hearing on “Turning Retirement Savings into Lifetime Income,” discussing policy solutions to help Americans plan and save for their retirement. Various ASR partners have submitted testimony for the record, including Chairman Thomas Bartell.

ASR praised the Committee and its Chairman, Senator Herb Kohl, for holding the hearing and acknowledging the importance of retirement security. In his testimony, Bartell explained that certain populations face more difficulty in retirement, generally having less access to, and lower participation rates in, employer-based retirement plans.

“A central challenge for policymakers is the need to make retirement options that provide steady, lifetime benefits more accessible to Americans,” said Mr. Bartell. “It is also important to ensure these opportunities reach the populations, particularly women, small business owners, farmers and minority groups, that have the least access to employer based retirement programs, or get the least from these and Social Security,” he added.

Bartell encouraged the committee members to consider new avenues to give more Americans access to vehicles that will provide guaranteed income in retirement. These include the Retirement Security for Life Act, S. 1297, introduced by Senators Kent Conrad (D-ND) and Pat Roberts (R-KS) as well as H.R. 2748, the Retirement Security Needs for Life Act, introduced by Representatives Earl Pomeroy (D-ND) and Ginny Brown-Waite (R-FL). In addition to advocating for S. 1297 and H.R. 2748, earlier this year, members of the ASR coalition weighed in with public comments to an Obama Administration proposal that would encourage annuitization of defined contribution retirement plans as a way to provide American retirees with a guaranteed stream of income in retirement.

The challenge to have a financially secure retirement was described in stark terms last year in a study conducted by Ernst & Young and commissioned by ASR which found that the average recently retired married couple, without any guaranteed source of retirement income, is left with only a 6 percent chance of financial success (not outliving their savings) in retirement. The study also determined that many Americans will be forced to reduce their standard of living,

some by as much as 51 percent, to avoid outliving their financial assets. However, that study also found that retirees with a source of guaranteed lifetime income, such as a defined benefit plan or an annuity, are much better prepared for retirement.

In addition to Bartell, other ASR member organizations have submitted testimony to the committee. These include groups representing women, Hispanic Americans, and America's farmers. The full text of all the testimony can be found at www.paycheckforlife.org.

About ASR

Americans for Secure Retirement is a broad-based coalition of more than 70 organizations and affiliates committed to raising awareness of the retirement problem and working with policy makers to find solutions that will help people have greater financial control over their retirement. Our members are a diverse group representing women, minorities, farmers, small business owners and the life insurance industry. You can learn more about ASR at www.paycheckforlife.org.

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