

Employer-Based Retirement Savings Work

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ARLINGTON, VA, (January 30, 2013) – The following is a statement from [Judy A. Miller](#), Executive Director of ACOPA and Director of Retirement Policy of The American Society of Pension Professionals & Actuaries (ASPPA) ahead of the [U.S. Senate Committee of Health Education Labor & Pensions \(HELP\) hearing on Pension Savings](#) on January 31.

“As the committee meets to consider whether Americans are saving enough for retirement, we hope members will consider that the primary factor in determining whether or not a worker is saving for retirement is whether or not they have a retirement savings plan at work.

Far more Americans save at work through contributions to their company sponsored retirement plan than any other way. In fact, calculations from the [Employee Benefit Research Institute \(EBRI\)](#) show workers making between \$30,000 and \$50,000 are over fourteen times more likely to participate in a plan at work than to save on their own in an IRA. As automatic enrollment affects more workers, the power of workplace savings will be even more apparent.

The current tax incentives for employer-based plans encourage employers to adopt a retirement plan such as a 401(k) plan and encourage employees to save in these plans. What is sometimes ignored in discussions regarding these incentives is the non-discrimination rules that make sure the highly compensated cannot take full advantage of the tax incentives without employer contributions being made on behalf of other employees. This combination of tax incentives and non-discrimination rules has been extremely effective at providing retirement savings to tens of millions of American workers.

We believe the message is clear– employer-based retirement savings works—the challenge is to extend work-place savings opportunities to more workers.”

About ASPPA: [The American Society of Pension Professionals & Actuaries \(ASPPA\)](#) is a national organization of more than 11,000 retirement plan and benefits professionals that serves as the educator, voice, and advocate for the employer-based retirement system. ASPPA members are administrators, actuaries, advisors, attorneys, accountants, and other financial services professionals who provide consulting and administrative services for qualified retirement plans. www.asppa.org

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