

June 1, 2021

The Honorable James Lankford
United States Senate
316 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Michael Bennet
United States Senate
261 Russell Senate Building
Washington, D.C. 20510

Dear Senators Lankford and Bennet,

The ERISA Industry Committee (ERIC) applauds the introduction of the *Enhancing Emergency and Retirement Savings Act of 2021* and your leadership addressing critical retirement and savings needs. On behalf of our large employer membership, we look forward to working with you to advance this legislation this year.

ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members are leaders in every industry sector and provide comprehensive retirement and health benefits to tens of millions of active and retired workers and their families across the country. As such, ERIC has a strong interest in policies that impact the ability of employers to provide effective and cost-efficient retirement and health care programs to millions of workers, retirees, and their families.

The COVID-19 pandemic has highlighted the financial strains experienced by many individuals and families. Your legislation addresses two important financial strains - the lack of emergency savings and insufficient retirement savings. According to a report by Bankrate.com, 26 percent of all Americans have no emergency savings and people between 30 and 49 are more likely than any other age group to have no emergency savings.¹ On top of this, the Urban Institute computes that the value of Americans' retirement accounts has shrunk from over \$18 trillion in 2019 to roughly \$14 trillion in 2020.² Clearly, there is a need to encourage both emergency and retirement savings.

The Enhancing Emergency and Retirement Savings Act of 2021 would provide up to \$1000 from a retirement savings account to be used for personal emergencies. Allowing participants access to savings for emergencies will encourage participation in retirement programs – particularly for those who may be hesitant to “lock away” money in case they will need it later. Plan sponsors and service providers have been actively developing tools to educate workers on the importance of saving and retirement readiness through financial wellness programs and other tools and we believe the Act complements this work by providing additional tools for employees to handle their financial responsibilities.

¹ <https://www.moneyunder30.com/compare-average-emergency-fund-savings>.

² <https://www.pbs.org/newshour/economy/analysis-the-pandemic-is-making-americas-retirement-crisis-worse-heres-what-you-can-do>.

We look forward to working with you and other interested parties to advance this legislation to encourage emergency savings and retirement security for working Americans. If you have any questions, please contact me at arobinson@eric.org or by calling 202-789-1400.

Sincerely,

A handwritten signature in cursive script that reads "Aliya Robinson". The signature is written in a dark ink and is positioned above the typed name and title.

Aliya Robinson
Senior Vice President
Retirement and Compensation Policy
The ERISA Industry Committee