

**To:** Senate Committee on Business and Transportation  
**From:** Senator Diane Rosenbaum  
**Date:** March 9, 2015  
**RE:** Testimony in Support of SB 615

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Chair Beyer, members of the committee,

Thank you for the opportunity to testify in support of Senate Bill 615, which would help prevent the potential of a retirement savings crisis in Oregon by creating a user-friendly, portable way for Oregonians who aren't saving for retirement to save through their paycheck.

Senate Bill 615 will help avert a retirement savings crisis in the future by making it simple for Oregonians to save through a payroll deduction. As of 2012, only 55 percent of employed private sector workers aged 24-64 in Oregon had a job that offered retirement benefits, be it a traditional pension or a 401(k)-type retirement account. Saving through an employer is not the only way to prepare for retirement, but it plays a critical role because it prompts people to save and offers a simple way to save through payroll deductions. Fewer employers offer retirement plans in than in the past. The reality is that without access to a user-friendly way to save for retirement, nearly half of Oregonians will find themselves far below a secure and sustainable level of retirement savings.

This harsh reality is especially true for women, low-wage workers, and people of color, many of whom face the inability to save money while working full time. Women are far more likely to be among the poorest retirees in our state by a very wide margin. Our low-income seniors are also much more likely to be women. Women make up about two-thirds of minimum wage workers, and average less than 70 percent of the average savings of men. Further, according to the National Institute on Retirement Security, only 54 percent of black and Asian employees worked for an employer offering a retirement plan in 2013, and only 38 percent of Latino employees work for such an employer.

To help these Oregonians start saving, Senate Bill 615 creates a voluntary retirement savings option for workers who do not have a pension or other employer-sponsored retirement account. This option is designed to be simple for both workers and employers: workers will choose the amount to be automatically deducted from their paycheck and professionally invested; employers provide a packet of information and facilitate the payroll deduction. The retirement account would be portable, so workers can keep it if

they change jobs, and workers could opt out of the system if they didn't want to participate. This program will be specifically designed – with market research and legal advice from the federal Department of Labor – to avoid conflicts with federal law and liability for the state or for private employers. The objective of this effort is to get more Oregonians saving, so SB 615 provides a baseline option for the hundreds of thousands of Oregonians facing alarmingly low retirement savings.

SB 615 will help working Oregonians who don't earn enough money to put aside much money each month. As mentioned previously, a high percentage of our low-wage workers lack even the access to a retirement savings vehicle. With this legislation, even a low-income worker saving responsibly over the course of a career can put together a nest egg that will make a difference in old age. Senate Bill 615 will eliminate barriers to saving and make a bright retirement future accessible to Oregonians across the state.

Thank you again for hearing this bill today. I strongly encourage your support for this important policy.

Sincerely,

A handwritten signature in cursive script that reads "Diane Rosenbaum".

Senator Diane Rosenbaum  
Senate Majority Leader  
Senate District 21