

Testimony SB 164 OregonSaves April 17, 2019

House Committee on Business and Labor

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AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With 510,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability, and personal fulfillment. An important aspect of our work is providing consumer information and supporting savings and planning for, retirement.

AARP Oregon supports Senate Bill 164, which provides a method to encourage full participation in Oregon's landmark OregonSaves program. This program has already achieved more than \$17 million in retirement savings, and more than 3,400 employers are participating. SB 164 would create the enforcement necessary to ensure participation and compliance.

As AARP initially testified on SB 164, employees are 15 times more likely to save for retirement through payroll deduction, yet 55 million Americans lack access to a way to save for retirement at work. OregonSaves provides a simple, option for business owners to offer a retirement savings option to their employees at no cost to the employer, while keeping fees low for participants.

Helping people save their own money for retirement isn't just the right thing to do, it can save taxpayer dollars on social safety net spending. According to a recent study, the total cost to taxpayers for new retirees will top \$3.7 billion over the next 15 years.

With strong support from AARP, more than half of the states are now considering similar ways to address the issue of economic insecurity in retirement. States are stepping up by passing state facilitated retirement plans, such as OregonSaves. In 2012 only three states were working on this issue. Now, upwards of 30 states are engaging in a conversation about retirement insecurity- and what states can do to

solve this growing problem. This solution is bipartisan, and has garnered national media attention. Retirement insecurity knows no party, no geography.

California, Illinois, Maryland, and Connecticut are in the process of implementing auto IRA programs. New Jersey is considering legislation as we speak. Each of these states allows for penalties for non-compliance. This very measured approach will allow Oregon to catch up with the rest of the pack on this issue.

AARP Oregon appreciates your efforts to encourage retirement savings, and asks for your support for SB 164A