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PRESS RELEASE

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## Press Release

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FOR IMMEDIATE RELEASE

## Rep. Kendrick Files Secure Choice Bill in Missouri House

Dec. 19, 2017 -- Rep. Kip Kendrick (D- Columbia) filed a bill on December 19 to enact the **Missouri Secure Choice Savings Program**. Almost half of our state's private sector workers—nearly one million Missourians—are employed by businesses offering no retirement plan. The **Missouri Secure Choice Savings Program Act** will provide a retirement savings vehicle for those private sector employees without access to an employer-sponsored plan. **Secure Choice** will enable Missouri workers to achieve greater economic security by enrolling in a voluntary payroll deduction plan without overburdening employers with the administrative responsibilities or managerial costs associated with existing workplace retirement programs. This is especially beneficial for small businesses and their employees.

While retirement savings may not register as highly on our current national crisis meter, it is critical that we address the problem now as fewer and fewer Americans save for retirement. According to the National Institute on Retirement Security, more than 38 million working-age households (45%) have no retirement savings. Almost two-thirds of working households aged 55-64 have retirement savings of less than one year's annual income. The United States has actually seen a decline in retirement plan participation in the new millennium, down from 60% participation in 2001 to 53% in 2013. (Economic Policy Institute) That is contrary to conventional wisdom as more baby boomers prepare for retirement.

Missouri is in a similar position as the rest of the country. According to AARP, nearly 1 million working Missourians do not have access to a retirement savings plan through their employer. Most of those employees (751,000) earn less than \$40,000 annually.

The Economic Policy Institute shows that too many of today's retirees and soon-to-be retirees are heavily dependent on Social Security for their income. Social Security is an important part of

retirement, but Missourians need additional resources. Financial experts often encourage retirees to have a minimum of 10 times their annual salary saved by the time they retire.

Retirement savings plans, such as **Secure Choice**, help workers achieve economic security through their own efforts. Greater access could also help improve economic mobility and reduce wealth disparity.

The **Secure Choice** legislation applies to Missouri businesses and nonprofits that employ 25 or more employees, that have operated in the state for at least two years, and that do not currently offer a qualified retirement plan. These employers will automatically enroll their employees in **Secure Choice**. Employees with fewer than 25 employees will also have the option to enroll their employees in the plan. Accounts will be owned by the individual participants, will be portable from job to job, and will be managed by a board of trustees.

There will be no cost to employers for the **Secure Choice** program. Employers' responsibility is limited to enrolling their workers in the program, setting up payroll deductions, and remitting employee contributions to the plan in a timely manner.

"The Missouri **Secure Choice** legislation is a win for small businesses who want to offer their employees access to a retirement savings plan. More importantly, it will ensure employees have access to the tools they need to begin saving for retirement. It's common-sense legislation that everyone can support."

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