
Insured Retirement Institute announces its lobbying goals for 2017

By Editorial Staff *Wed, Mar 1, 2017*

The IRI called for Congress not to allow state and local governments to set up auto-IRA plans for businesses without retirement plans, urged the removal of barriers to multiple employer retirement plans for small firms, portability of annuities in retirement plans, and other policy changes.

The Insured Retirement Institute (IRI) released its 2017 Retirement Security Blueprint this week, offering policy proposals that “expand access to workplace retirement plans, increase lifetime income options, protect access to professional financial advice, improve access to financial education and preserve the current tax treatment for savings.”

The IRI, which became a lobbying organization in 2008 instead of a variable annuity industry group, took a position against proposed state- or municipally-sponsored auto-IRA savings plans for workers at businesses without retirement plans, such as New York City’s [Nest Egg](#) plan or California’s [Secure Choice](#) option.

House Republicans recently voted to kill a 2016 Obama Department of Labor rule exempting such plans and their plan sponsors from compliance with federal pension law (ERISA). Such plans, which provide a public retirement savings option, are seen by some as a threat to crowd out private market solutions, such as advisor-sold 401(k) plans.

Specifically, the IRI blueprint included these four goals and recommendations to policymakers:

“Do no harm” to current retirement policy for America’s retirement savers: Congress should enact legislation to:

- Establish a consistent best interest standard of care that protects affordable access to professional financial guidance, preserves access to retirement advice, and offers a wide array of lifetime income products.
- Maintain tax-deferred treatment for retirement savings to help workers prepare for a secure retirement.
- Protect the current structure and diversity of workplace retirement plans by maintaining the different types and structures of retirement plans that were created for the needs of different types of workers.

Increase workers’ access to lifetime income in retirement plans: Congress or the Department of Labor should:

- Clarify employer fiduciary responsibility in the annuity selection regulations to allow employers to select lifetime income products provided by insurers that meet certain existing regulatory requirements.
- Congress should enact legislation to enable annuity portability to ensure workers are not harmed if their employer decides to make a recordkeeping change.
- Remove regulatory and legal barriers to facilitate small businesses use of multiple employer plans.

Help Americans prepare for a secure retirement: Congress should enact legislation to:

- Require lifetime income estimates on workers' benefit statements.
- Encourage employers to offer retirement plans for workers if workers do not have access to other retirement plans.
- Increase auto-enrollment and auto-escalation default rates.
- Enable financial advisors to protect their clients from financial abuse and exploitation.
- Permit electronic disclosure for required disclosures to retirement plan participants.
- Update required minimum distribution (RMD) rules to reflect longer life-spans.
- Amend the IRS Code to reduce the age requirement for in-service rollovers to purchase lifetime income products.

Regulatory initiatives to promote consumer choice, education and reduce regulatory burdens for lifetime income options:

- Congress or the Department of Labor should preserve employer choice, competition and protections on retirement plan coverage options by revoking the state and local savings arrangements rules, and instead authorize states and local governments to rely on existing requirements for private sector plans.
- The Securities Exchange Commission should adopt a variable annuity summary prospectus and annual update to improve consumers' understanding of their investment choices and reduce regulatory burdens to facilitate better decision-making regarding lifetime income options.
- The president should implement the national insurance licensing clearinghouse by appointing National Association of Registered Agents and Brokers board and establish a one-stop federal licensing clearinghouse for financial professionals holding state insurance licenses in multiple states.