



## AMERICAN BENEFITS COUNCIL

May 28, 2021

The Honorable James Lankford  
316 Hart Senate Office Building  
Washington, DC 20510-2002

The Honorable Michael Bennet  
261 Russell Senate Office Building  
Washington, DC 20510-3506

Dear Senator Lankford and Senator Bennet:

We are writing on behalf of the American Benefits Council to thank you for your leadership with respect to emergency savings and the introduction of the Enhancing Emergency and Retirement Savings Act of 2021. This bill reflects your commitment to good bipartisan retirement policy and responds to a critical need for financial protection in cases of unexpected expenses that often present real challenges for many American workers and their families.

The American Benefits Council is a Washington D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and their families. Council members include over 220 of the world's largest corporations and collectively either directly sponsor or support sponsors of health and retirement benefits for virtually all Americans covered by employer-provided plans.

The bill allows a retirement plan, such as a 401(k) plan, or IRA to be accessed for a small amount in the case of emergency without any penalty. Even relatively small, unexpected expenses, such as a car repair or a modest medical bill, can be a hardship for many workers and fear of those expenses can keep them from saving. As a result of knowing they have access to a modest amount in this case, individuals will be more likely to contribute to the plan or IRA and often will end up not having to make emergency withdrawals, thus enhancing their overall retirement security while improving their financial resilience.

There are a number of ways to improve emergency savings that the Council supports, including programs outside of the retirement plan and we look forward to a

continued dialogue about how to further improve emergency savings and strengthen personal financial security. However, this bill is a significant step towards addressing the critical problem faced by many Americans by offering a solution that harnesses the successful 401(k) or similar plan structure that utilizes payroll deduction and allows for retribution.

We look forward to seeing the bill progress through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Lynn D. Dudley". The signature is written in a cursive, flowing style.

Lynn D. Dudley  
Senior Vice President, Global Retirement and Compensation Policy