



February 15, 2022

Representative Donald Norcross
United States House of Representatives
2427 Rayburn House Office Building
Washington, DC 20515

Representative Tim Walberg
United States House of Representatives
2266 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Norcross and Walberg:

The Insured Retirement Institute (IRI)¹ writes to express our support for the *Lifetime Income for Employees Act*. The bill would allow retirement plan sponsors to utilize lifetime income solutions as qualified default investment alternatives (QDIA) for a portion of contributions made by participants who have not made investment selections. QDIA's, created by the *Pension Protection Act of 2006*,² has proven to be an essential tool to enhance retirement security by providing retirement savers with the ability to accumulate assets without needing to make underlying investment selections inside of their workplace retirement savings plan.

However, current Department of Labor (DOL) regulations governing QDIAs have created a barrier to using certain investments – including protected lifetime income solutions like annuities – that do not meet specific liquidity requirements. The regulations have created an environment where savers who utilize their plan's QDIA are invested in vehicles that only build assets and contain no mechanism to convert those assets into guaranteed income during their retirement years.

The *Lifetime Income for Employees Act* would amend the current QDIA safe harbor regulations to allow plan sponsors to select annuities that provide a guaranteed return on investment with a delayed liquidity feature. The bill designates that no more than 50 percent of investments can be allocated into a qualifying annuity component, ensuring that QDIAs continue to offer retirement savers a diverse mix of asset classes. The bill also provides provisions to ensure that those savers defaulted into a QDIA with an annuity competent are notified of their participation within 30 days of the initial investment and have the option to reallocate their investment penalty-free within 180 days.

Allowing protected lifetime income solutions to be used as a QDIA will go a long way toward helping address the insecurity and anxiety workers and retirees across America are feeling today about their ability to accumulate sufficient savings to provide them with income that will last throughout their retirement years.

A survey³ of voters aged 25-plus conducted by the American Association of Retired Persons (AARP) showed that more than six in 10 (63 percent) are anxious about whether they will have enough money saved to live comfortably throughout their retirement years. In addition, IRI research⁴ revealed that workers have a high level of interest in having protected lifetime income solutions, such as annuities, included in workplace defined contribution retirement plans. The IRI survey found that seven in 10 workers of the youngest age cohort (age 40-45) say they are very or somewhat likely to allocate a portion of their plan to annuities, and 87 percent believe it is important that the income from savings is protected for life. Furthermore, Allianz Life's 2021 July Quarterly Market Perceptions report⁵ highlighted the demand for protected lifetime income solutions in workplace plans. The Allianz report

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., include the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

² Pension Protection Act of 2006, [Public Law 109-280](http://www.gpo.gov/publications/2006/public-law-109-280), August 17, 2006.

³ "Saving For Retirement at Work: Views of Voters Ages 25+", AARP, October 2021.

⁴ "Retirement Readiness Among Older Workers 2021", Insured Retirement Institute. March 2021.


⁵ "Allianz Life Announces Entry into Defined Contribution Market with Launch of Allianz Lifetime Income+Annuity," Allianz Life Insurance Company of North America, July 2021.

found that 73 percent of employer-sponsored participants would consider an option that offers protected income for life in their plan if available and 59 percent said they would consider adding an annuity to their plan if one was available.

IRI has a long history of advocating for the enactment of bipartisan, common-sense legislative solutions to help America's workers, retirees, and families achieve a financially secure and dignified retirement. The solution provided by the *Lifetime Income for Employees Act* will significantly increase access to and the use of protected lifetime income products – helping retirement savers to produce sustainable income during their retirement years. For this reason, IRI included a call for enactment of the *Lifetime Income for Employees Act* in our [2021 Federal Retirement Security Blueprint](#).

We urge you, your colleagues on the House Committee on Education and Labor, and your colleagues in Congress to quickly advance this legislation to authorize the use of protected lifetime income solutions as a component of qualified default investment options. Thank you for your leadership in pursuing this legislation. If you have any questions, please do not hesitate to contact me at prichman@irionline.org or (202) 469-3004, or John Jennings, Assistant Director of Government and Political Affairs, at jjennings@irionline.org or (202) 469-3017.

Sincerely,



Paul J. Richman
Chief Government and Political Affairs Officer
Insured Retirement Institute