



Supporting Retirement Security for America's Teachers

NATIONAL COUNCIL ON TEACHER RETIREMENT

2013-2014
Thomas K. Lee
President

NCTR Staff
Meredith Williams
Executive Director
mwilliams@nctr.org

Robyn Gonzales
Assistant Executive Director
rgonzales@nctr.org

Leigh Snell
Federal Relations Director
lsnell@nctr.org

9370 Studio Court
Suite 100 E
Elk Grove, CA 95758
Tel: (916) 897-9139
Fax: (916) 897-9315
Web: www.nctr.org

January 27, 2014

The Honorable Tom Harkin
Chairman, Senate Committee on Health, Education, Labor and Pensions
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the National Council on Teacher Retirement (NCTR), I want to commend you for your continued focus on the retirement crisis facing our country, and the need for every one of our nation's workers to have access to a retirement plan that provides them with the ability to earn a safe, secure lifetime income benefit. Your ongoing leadership on this vitally important issue is very much needed and appreciated.

NCTR shares your concern that, overall, America is "woefully unprepared for retirement," as you stated in your excellent 2012 report on the retirement crisis facing the country. In that report, you warned that the consequences of this lack of preparedness will be "an enormous strain on our families, our communities, and our social safety net." We couldn't agree more.

Furthermore, when workers have not saved enough to meet their retirement needs, many will simply have to continue at their current jobs. This can have a serious impact on employers, who will be paying higher salaries to these longer-tenured workers. Also, as experts have recently warned, continuing to work primarily because they can't afford to retire can seriously impact these workers' morale and productivity. Finally, other employees' career advancement can be blocked, with serious ramifications for an employer's overall workforce talent.

America's economic future will pay the price of a failed retirement policy.

That is why, in the public sector, state and local governments have worked diligently for over a century to build and maintain retirement systems that offer real protection from financial risk and provide a guaranteed stream of income for life that is adequate and affordable. We



The Honorable Tom Harkin
Chairman, Senate Committee on Health, Education, Labor and Pensions
January 27, 2014
Page Two

are therefore particularly pleased that your new legislation, the USA Retirement Funds Act, reflects many of the core design features that NCTR supports for the public sector, such as universal coverage; automatic enrollment; shared employer/employee commitment; and pooled, professionally managed investments.

NCTR believes that these features not only assure self-sufficiency for retirees by providing a predictable benefit that is guaranteed for life, including cost-effective disability and survivor benefits, but also help maintain a high performance workforce by providing a benefit that will attract and retain quality and highly trained public employees.

In summary, NCTR shares your belief that all Americans should have access to a pension plan that will provide adequate and reliable retirement security. While we may differ on some specific aspects of your plan to provide for retirement security, your basic concept for rebuilding pensions is compatible with the policy positions of NCTR, and we strongly support your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Williams', with a horizontal line extending to the right.

Meredith Williams
Executive Director