CITY COUNCIL
CITY OF NEW YORK

------------------------ X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CIVIL SERVICE AND LABOR

------------------------ X

September 23, 2019
Start: 10:54 a.m.
Recess: 12:50 p.m.

HELD AT: Council Chambers – City Hall

B E F O R E: I. Daneek Miller,
Chairperson

COUNCIL MEMBERS:
Adrienne E. Adams
Daniel Dromm
Andy L. King
Farah N. Louis
Francisco P. Moya
Eric A. Ulrich

A P P E A R A N C E S

John Adler
Director of the Mayor’s Office of Pensions and Investments and Chief Pension Investment Advisor for Mayor Bill de Blasio

Aliya Robinson
Senior Vice President of Retirement and Compensation Policy for the ERISA Industry Committee

Alex Gleason
Director of Policy Research and Legislation at the New York City Central Labor Council of the AFLCIO

Andrew Riggie
Executive Director of the New York City Hospitality Alliance

Carolyn Crawford
Center for Retirement Research at Boston College

Allison Wielobob
General counsel of the American Retirement Association

Angela Antonelli
Research Professor and Executive Director of the Center for Retirement Initiatives at Georgetown University

Rick Mcgahee
Senior Fellow at the Schwartz Center at the new school

Lizeth Valis[SP?]
Private citizen

A P P E A R A N C E S

Beth Finkel
State Director for AARP New York

Sarah Mysiewicz Gill
AARP office in Washington DC

Michael Parker
Executive Director of the Oregon Savings Network at the Oregon State Treasury

CHAIRPERSON MILLER: [GAVEL] Good morning, my name is Council Member I. Daneek Miller and I am the Chair of the Committee on Civil Service and Labor.

I would like to welcome everyone to today's hearing on Introduction 888 and Introduction 901. I would like to acknowledge and welcome my colleagues who are present; Council Member Adams and Council Member Ben Kallos.

Today, the Committee will hear two pieces of legislation, Introduction 888 sponsored by Council Member Kallos is a local law that would establish a retirement savings program for private-sector employees.

Now, I will turn the mic over to Council Member Kallos to speak on 888.

COUNCIL MEMBER KALLOS: Thank you to Civil Service and Labor Chair I. Daneek Miller for his leadership on this legislation this issue and as a labor leader generally.

I am Council Member Ben Kallos. Every New Yorker should be able to save for retirement. The big problem is that more than half of working age New Yorkers don't have access through their employers to any retirement plan. 641,000 New York households nearing retirement have less than $12,000 in retirement savings.

Our nation is facing a retirement deficit of $14 trillion, which is the difference between what people need to retire and what they've saved. I have the misfortune to work as an associate on the Delphi bankruptcy at Gorlick, Kravitz and Listhaus. We represented the international union of operating engineers.

Delphi was spun off from General Motors, so that they could declare the largest bankruptcy in American History at the time.

Some how a person could work their entire lives for an auto maker who somehow couldn't afford to pay the retirement. Meanwhile, they had millions to pay their executives and still more millions to give them golden parachutes after they ran their companies into the ground.

It was clear to me that the laws were broken and that those law makers who made them were broken. It's actually what inspired me from my current public service.

Working with Bill Samuels, I administered pension plans for two companies. We realized why so few employers offered these plans.

We had began advocating for private participation and public pension in 2012, working with SCIU and at the time, a gentleman named John Adler, through an organization called Effective New York.

In early 2015, then public advocate Tish James and Civil Service and Labor Chair I. Daneek Miller proposed and heard Introduction 692 to study a public retirement plan for private sector workers.

By the fall of 2015 and 2016, I worked with Mayor de Blasio, James and Miller to advocate with the White House and through the rule making process around new rules promulgated by the employee benefit security administration of the Department of Labor. That resulted in guidance on how states and cities could establish retirement programs for the private sector workers.

In May 2017, President Trump signed a joint resolution rolling back the Obama era regulations that encouraged states to set up auto IRA's, but to be clear, and this is just a lesson on Executive authority for the president and the Majority Leader of the Senate. Executive orders and regulations cannot overturn federal laws and following federal guidance that has been overturned, doesn't mean following that advice is illegal.

So far, ten states and one city have enacted government sponsored retirement programs for private sector workers. In April of 2018, legislation long carried by Rodriguez in the budget as the New York State Secure Choice Savings Program was adopted as a voluntary Roth IRA.

A voluntary option is great, but auto enrollment improves vastly upon voluntary participation. Oregon Saves launched in the first in the nation Auto IRA. Their program is incredibly successful, I hope to hear from them today.

The legislation I've reintroduced as Civil Service and Labor Chair I. Daneek Miller will do the following: It will auto enroll employees, would be mandatory through a payroll deduction for employers of ten or more employees who have not offered a retirement savings plan for the past two years.

Employees over the age of 21 who worked more thank 20 hours a week would be auto enrolled with a default contribution rate of 3 percent of their annual income. Smaller employers who have not offered and independent contractors who do not have access remind savings, would also be able to join retirement security referrals. Employers would not contribute to the plan and there will be no cost to employers.

I'd like to thank Committee Chair, I. Daneek Miller for being a forefront with me on this issue. Speaker Corey Johnson, staff Malcolm Butehorn as well as many other staff from the City Council and the Mayor for making this a part of this platform since 2016. Thank you.

CHAIRPERSON MILLER: Okay, AARP you're in enough to know that this is what we do. Thank you so much and thank you Council Member Kallos for reminding me this journey that we've been on for a number of years now that has culminated with today's hearing.

The second bill, Introduction number 901 sponsored by myself, is a local law that would establish a retirement savings board to oversee retirement savings program for private-sector employees that would be created by Intro. 888.

These two bills come at a time when there is approximately 4 million private-sector jobs in New

York City but a large number of the private sector employees who lack retirement coverage. Particular strengthen in 2016, 33 percent of the city's private-sector workers age 25 to 64 years of age in workplace retirement had participated in workplace retirement which is down from nearly 40 percent.

So, we have decreased the number of folks saving by 7 percent in just three years. Imagine the track that we are on now. With such a small number of workers being provided workplace retirement plans, many New Yorkers led finance with stability as a result, they face increased risk of lower standards and live in poverty once they retire. In the efforts to ensure that workers have the financial stability in retirement, individual retirement accounts, also known IRAS, have presented an alternative option for workers to be getting savings for their retirement.

Introduction 888 and 901 would create such a program for private sector employees in New York City. While also creating a board that would ensure the proper and successful implementation of this program.

Beyond these two bills, I look forward to a broader conversation about retirement savings itself.

Too many people leave the conversation about their own retirement to future dates and before you know it, we're facing that future. Every time and it's here and what happens as a result, that we see so many folks that are here and are just not prepared for the quality of life that they so richly deserve and are dependent on government help to meet their very basic needs before the quality of life.

With rapidly aging population, this is a timely and important conversation to have and one which I hope to lead into greater conversations about a city's retirement plan and security for all.

The Committee looks forward to hearing from the Administration on these efforts and from advocates on the work that they have done in this critically important area. And before turning the mic over to the first panel, I'd like to thank my staff Chief of Staff, Ali Rasoulinejad, Brandon Clark, Senior Advisor Joe Goldbloom. We'd also like to thank Committee Council and central staff for their efforts, Malcolm, Kevin, Kendo[SP?], and finally I want to welcome Nuzhat, as our new Committee Council. She also Chaired the Committee on the Aging previously.

So, is very much familiar with the needs and the values of our aging population and look forward to working with her on this issue.

We are now going to swear in our first panel witness.

COUNCIL CLERK: If you could raise your right hand please. Do you swear to tell the whole truth and nothing but the truth before this Committee and answer Council Member questions truthfully?

PANEL: Yes.

COUNCIL CLERK: Okay, if you could just hit the mic and you can begin.

Yes.

CHAIRPERSON MILLER: Before we begin, we’ve been joined by Council Member Andy King. You may begin.

JOHN ADLER: Thank you, thank you Chair Miller for conducting this hearing on this critical subject. My name is John Adler, I am Director of the Mayor’s Office of Pensions and Investments and Chief Pension Investment Advisor for Mayor Bill de Blasio.

I am here to testify on behalf of the de Blasio Administration regarding the private sector retirement legislation being considered today.

Mayor de Blasio appointed me to my current position in 2015. In that capacity, I serve as the Mayor's representative on the boards of the New York City Pension Funds and the Deferred Compensation Plan. I am Chair of the NYCERS board and facilitator of the common investment meeting for the five New York City retirement systems.

Since 2011, when I became the retirement security campaign director for SEIU, through today in my current role, a main focus of my work has been seeking to address the slow-motion retirement security crisis in this country by seeking to create retirement programs for the roughly half of the American workforce who have no retirement plan at work.

I was one of the co-founders of the Center for Retirement Initiatives at Georgetown University. I co-convened a national retirement security for all coalition in Washington and I served on the board of the National Public Pension Coalition which works to protect define benefit pensions for public employees around the country.

My testimony today is thus informed by my experience in the research design and launch programs like the one proposed here and seeing those programs start to finally help turn the ship for the millions of workers whose current retirement plan is nothing more than work forever.

Let me explain specifically the need for this program in the City of New York. The challenges of maintaining a decent standard of living in retirement begin with a lack of access to viable saving programs. 40 percent of New Yorkers near retirement age have less than $10,000 saved for retirement. The challenges are particularly pronounced among lower income immigrant and minority communities and among women.

According to the Schwartz Center for Economic Policy Analysis at the new school, out of approximately 3.5 million private sector workers in New York, only 41 percent have access to an employer’s retirement plan. Which is down from 49 percent only a decade ago. The problem, therefore, is getting worse.

The administration supports Intro. 888 and Intro. 901, which establish a mandatory auto enrollment payroll deduction IRA program from employees of New York City private sector employers that do not offer a retirement plan. At any time, an employer may choose to offer its own retirement plan and discontinue participation in the city plan. We estimate that over a million workers will be eligible for the program this legislation would establish.

There are no employer contributions in order to remain in compliance with federal ERISA regulations. The proposal we are considering here in New York City is very similar to programs that are already operating in California, Illinois and Oregon. Where nine million workers who did not have access to a workplace retirement plan two years ago, now do.

Programs have also passed but not yet opened in Maryland, Connecticut and New Jersey. At least 19 other states are studying or considering similar plans. If enacted, this program will help over one million New York City workers and millions more in the future save for their own retirements through payroll deductions on the job. This program has the potential to significantly reduce future poverty among retirees in New York City and take an important step towards helping over a million New Yorkers maintain or improve their standard of living when they stop working.

As a 2018 report from the Pew Retirement Savings Project shows the savings workers will achieve will have an impact far beyond the absolute dollar saved, by giving workers options as they near retirement. And especially, significant value add for many workers is the chance to boost lifetime retirement income by delaying taking Social Security.

Every year that a worker waits to begin taking Social Security, adds eight percent to his or her monthly check from ages 66 to 70 and 6 percent from ages 62 to 66. So, even if workers begin saving relatively late in their careers, if those savings allow a delay in taking Social Security even for a year or two, that will mean a substantial boost to their monthly income for the rest of their life.

In closing, the creation of this program will help many New Yorkers begin saving for their own retirement for the first time. It represents a major step forward to address this crisis by ensuring that virtually all New Yorkers can save for their retirement through payroll deductions. The most effective way to build retirement savings. Thank you.

CHAIRPERSON MILLER: Thank you so much for your testimony. We've been joined by Council Member Farah Louis.

So, let's begin by talking about implementation and kind of what the program would actually look like and whether not the city has capacity and capabilities of managing this and from a tracking and participation standpoint. What would that look like? Let's look at its infant stages and what is absolutely necessary for this plan to be up and running and what would make it solve it?

JOHN ADLER: Sure, thank you for that question Chairman. The idea, the plan would be that a board would be appointed by the Mayor and then the board would conduct requests for proposals most likely to contract with vendors experienced in the administration of programs like this as well as investment managers, professional investment managers with a menu of simple low-cost investment options for workers to choose.

The third-party administration would then be charged with implementing and executing the program on a day to day basis primarily through a web portal, a web-based portal that employers and employees would access in order to enroll and make the decisions associated with being in the program.

CHAIRPERSON MILLER: So, based on your experience and my little bit of experience as a trustee as well.

JOHN ADLER: Sure.

CHAIRPERSON MILLER: On the labor side, not a lot of folks and organizations around have the capacity to manage what we envision this to be.

With that being said, and the enrollment of potentially means of employees and managing the changes in employment and benefits and so forth, that's kind of where the board would step in and just ensure that we have qualified vendors that are doing that.

But from your background and understanding, certainly will have no problem in attracting those folks or those capable and qualified folks out there and ready to perform this task.

JOHN ADLER: Yes, there are capable qualified organizations out there including those that are servicing the existing states and operations that are in place now. And I think that the size of New York City would mean that we would get a good number of interested organizations and we would be able to select an organization that's both experienced, highly qualified and also would offer a very good price.

You know, part of the idea here is that the economies of scale of doing something like this in a place like New York City, would enable us to have a very attractive fee, so that the employees would pay very, very little for the program to function for them.

CHAIRPERSON MILLER: And could we talk about set up cost and obviously if we look at throughout the country and the cost of establishing such a program had varied but somewhere like Illinois cost approximately 15 to 20 and 1 million in start up costs. But we're estimating here and what it would cost the City of New York significantly more, please talk about that.

JOHN ADLER: Well, I don't think it's going to cost significantly more than it has cost in other states where they're doing it throughout an entire state and we're just doing it in a city that's you know, fairly compact even though we're a big city.

So, we do not know exactly how much it's going to cost yet. We will work through with OMB, the regular budgeting process to determine what the cost will be, but we don't think it will cost anymore than it has cost in other states.

I'm not sure about that number for Illinois, that's not my understanding of the cost in the states that have been up and running so far.

CHAIRPERSON MILLER: And then those smaller states, certainly when you compare the density, New York City is pretty comparable if not greater than those as well.

New York State has a voluntary plan, what is different and why not wait to see where they are and what are the successes and kind of look best practices and if whether or not this is actually necessary to get this up and running.

I certainly have my thoughts, but you know, I would like to hear from the experts over there.

JOHN ADLER: Sure, thank you, that's a very good question. Why do this now when New York State has a voluntary program.

So, the New York State program which was past last year in 2018 session is voluntary for employers and voluntary for employees.

So, our belief is that it really doesn't — it will not because it hasn't yet been implemented and the state has not taken any visible steps to implement it yet, but we don't believe it will effectively expand coverage to those that are underserved or frankly are not served now and that's really the goal.

So, you know, we don't think that we should be waiting for the whims of Albany to possibly change or strengthen their plan. We have a crisis now in New York City, we've had it and frankly every month that we wait, is an opportunity that's lost for workers to begin saving for their own retirement and the dollar you save today goes farther than the dollar you save next week or next month or next year. And so, the sooner we can get this up and running, the better it is for folks to be preparing for their own retirement.

I don't think we can wait for New York State to possibly take some action that there is absolutely no guarantee that they will take.

CHAIRPERSON MILLER: Could we talk briefly about some of the program parameters and employee contribution rates and what that looks like. There are some folks that are very much concerned and so, we can kind of get out to the public before we get into the education piece but really explain to the folks that are here in this room here, what that would like and the advantages of doing so.

JOHN ADLER: So, you're talking about the contribution rates, should we start with that.

CHAIRPERSON MILLER: Yes.

JOHN ADLER: Yeah, so, the Administration proposes a 5 percent contribution rate, which is the default contribution rate.

Now workers can change that rate as much as they want up or down within the limits of an IRA contribution, which is $6,000 per year for someone whose under 50 and then $7,000 for age 50 and up. That is the rate that the three states that are in operation, Illinois, Oregon and California are using and they have found that using that rate does not deter people from participation and in fact, the average contribution rate has been above 5 percent so far.

So, it seems like certainly 5 percent would be preferable to 3 percent, just because people will save more money and be better prepared for their retirement and again, if someone wants to participate in the program, but thinks that they can't afford 5 percent, they can only afford 3 percent or 2 percent, they will absolutely be able to do that and they can change it at any time they want to as well. So, we would suggest making the default rate 5 percent.

CHAIRPERSON MILLER: Okay, I have a few more questions but certainly, I'm going to throw it over.

COUNCIL MEMBER KALLOS: I don't have any questions.

CHAIRPERSON MILLER: I am flabbergasted. Council Member Adams.

COUNCIL MEMBER ADAMS: Thank you Chair Miller, I think that's a first for Council Member Kallos, so, we're happy about that.

Thank you so much for being here.

JOHN ADLER: Thank you.

COUNCIL MEMBER ADAMS: And your testimony this morning. This is a cause that I think that all of us in this room really do want to champion. So, thank you very much. I just have a couple of questions.

Chair Miller asked about specifications and qualifications as it pertains to providers. My question has to do more with qualifications of board members, appointees by the Mayor. What are some of the qualifications that you believe a board member should have?

JOHN ADLER: Well, I think first of all, we want to pick a board that has a diversity of experience, so their not all from the same specific area of expertise.

You want someone who is experienced in retirement plans in this specific area of retirement plans for private sector workers. I think we want someone who has experience with the employees, either as a representative employees or has worked with employee groups, so they can bring to it their understanding of what employees need for this program to succeed for them and then you also want someone whose got experience with the small businesses that will be the primary participants in the plan.

So, you know, someone who represents an employer association or has experience as a small business owner, so that they can bring that experience to bare. So, that when the board is debating rules or policies that they want to put in place, we make sure that they have this breath of experience to really be able to make the program work for all the stakeholders that will be involved.

COUNCIL MEMBER ADAMS: Thank you. Well, I'm going to ask a redundant question, a rhetorical question. How do you see yourself fitting into that decision-making process?

JOHN ADLER: You know, that will be up to the Mayor, I really don't know. I am a policy person in this regard and so, you know, I'd be happy to serve if I'm asked but I really don't know what my role will be once the program is passed, should the program be passed by the City Council.

COUNCIL MEMBER ADAMS: Okay, fair enough. Just one more question for you. What process does the Mayor's Office of Pension and Investments currently have in place to increase MWBE brokerage participation.

JOHN ADLER: Great question Council Member. So, the Mayor's Office of Pensions and Investments serves as the Mayor's trustee on the different pension fund boards and also on the deferred compensation plan.

So, one of the things that we have championed is putting in language to encourage MWBE's to apply for mandates at the deferred compensation plan.

And in fact, since I've been there, we have increased the MWBE management. Management by MWBE firms of the deferred compensation plan from zero to now approximately $2 billion. There were literally no MWBE's managing money for the DCP when I began my tenure on that board. We put in place language encouraging and now we have in excess of $2 million being managed by those firms.

In addition, in our role as trustees at the four of the New York City retirement systems, we champion MWBE firms and specifically right now, we are working on a resolution at one of the funds, NYCERS, which I imagine many of you are participants in it, as I am. To specifically put a policy in place to increase MWBE utilization at the board. That's not passed yet, so it's not policy but it's something that we've been working on. So, that's what I would say.

COUNCIL MEMBER ADAMS: That's really encouraging Mr. Adler, thank you so much for your testimony once again.

JOHN ADLER: Thank you Council Member.

COUNCIL MEMBER ADAMS: Thank you.

CHAIRPERSON MILLER: Council Member King.

COUNCIL MEMBER KING: Thank you Mr. Chair and thank you again John, I appreciate today's conversation. I want to say thank you again, I think is really a smart piece of legislation to the Chair, Kallos, I'd like to be signed onto this as well. Because one of the things that breaks my heart is to watch a 70-year-old having to go to work as opposed to working because it's their choice or it's a hobby, because they haven't had the financial stability or planning, so they can relax in their golden years.

So, this is where this makes sense, to get this done the best way we can possibly get it done. But as someone as a policy person that's in your position, when you reviewed this policy, did you see any flaws in this policy? In it's implementation or any challenges for us getting it done, and if so, what would be your answer to try to correct those issues?

JOHN ADLER: Well, I don't think there is flaws within the limits that we have as a city under federal law. So, essentially what this legislation does, is it says okay, within the limits prescribed by federal pension law, federal tax law, this is what we can do to maximize access to retirement plan coverage. And I think it does that, I think it does that. You know, I have to say, I'm not the one, I've been pushing for this, but I'm not the one who dreamed up this approach to increasing retirement security and many of the advocates in the room I would credit with doing that dreaming up.

My job has always been to try to push stuff forward and understand what the different options are and push for what I think the best options are. So, I think this is the best option within the limits of federal law.

If federal law were to change and it would be possible for example, to allow for employer contributions in a plan like this, I think that would be a great thing, but again, given those limitations, I think this is the best that we can have and I think that frankly, following in the footsteps of the states that have started moving forward, Illinois, Oregon, California, soon to be joined by other states, we can learn from their experiences and avoid some of the hiccups in implementation that they may have had at the very beginning.

COUNCIL MEMBER KING: And my final question will be, I heard you mention something about 5 percent, I think it was 3 percent of contributions was kind of there, but you think 5 percent makes sense?

JOHN ADLER: Yes.

COUNCIL MEMBER KING: I know one day all of us will be in that same state of mind. How does when investments that we have at 5 percent makes sense, how do you have the conversation with someone who's after this is implemented, because I am going to assume this is a good piece of legislation that we're going to implement of how they figure out how to manage if 5 percent is too much for them based on what they bring home every week or two weeks. How do you manage that conversation with somebody as opposed to 3 percent, or how do you have that conversation with somebody, because they still have to figure out how to buy groceries, get home and take care of stuff. So, I want to hear your thoughts on that.

JOHN ADLER: Yeah, the way you manage the conversation is you say you should deduct whatever you think you can afford to save for your retirement. And so, if you can only afford 3 percent, then you should make that deduction, 3 percent. If you can afford 7 percent, then you should make the deduction

7 percent. You should make it exactly what you think you can live with.

And what I might say is, why don't you try 5 percent and see how it goes and if you find that you are actually unable to make ends meet with the 5 percent, then lower it to 3 percent or you know, try to make it as much as you can, because the reality is the dollar that you put aside today for your retirement will be magnified many, many times when it becomes time to retire. And the earlier you safe, the more time there is for that money to expand. And so, that's what I would say.

The 5 percent is not mandatory, it's just the default, which means that anybody can change it at any time, raise it up, lower it down or if they need to opt out.

COUNCIL MEMBER KING: I want to thank you today. Mr. Chair, I want to thank you for today's conversation. I think this is smart, what we're doing today and if you do find or hear of anything that's any challenges to our seasoned; I call seasoned individuals, please let us know how we can make sure that this is — because this is one of those things we can’t mess up, we shouldn’t mess up and come back. This is the right thing to do.

JOHN ADLER: Thank you Council Member.

CHAIRPERSON MILLER: Thank you Council Member. Yeah, along that lines, can you talk about some of the efforts that the city is undertaken in order to expand the conversation about retirement for city residents? What does that look like? What does it look like now and what does it look like around implementation of the program?

JOHN ADLER: I’m sorry, could you — I didn’t quite understand the question.

CHAIRPERSON MILLER: So, right now, what efforts has the city undertaken in order to expand this conversation as Council Member King was just articulating, to those who potentially would be enrolled or just the value of a saving plan.

JOHN ADLER: Right.

CHAIRPERSON MILLER: And we understand that we as a society recognize the data and that we are potentially going to be taking care of a lot of folks, of the next generation of retirees because of the diminishing guaranteed pensions and benefits that generations before us had taken advantage of and enjoyed.

What are we doing to expand this conversation and what does our targeted audience look like?

JOHN ADLER: So, what are we doing now or what will we be doing?

CHAIRPERSON MILLER: What are we doing now to generate the conversation? What are we doing around implementation, not just so — that should also include understanding as you said, what the board should look like and being a voice for particular needs and values of this diverse universe that we're trying to capture here. What does that look like?

JOHN ADLER: Well, I think I can speak to what we're planning to do. I'm not sure I can speak that well to what we're doing now, because I don't think we're doing that much accept the one exception I will say is that under the Department of Consumer and Worker Protection, we have the office of Financial Empowerment, which I am sure you are all familiar with and I think one of the functions they serve is to help workers and New Yorkers understand their financial situation including to prepare for their retirement. And I think that will be a valuable resource going forward as well, once we implement this program.

So, if folks need financial advice, they can seek out those centers to get it because the program will not provide financial advice and the city itself will not provide financial advice. That's not a function that the city plays.

In terms of once the program is implemented, we plan a comprehensive targeted outreach campaign to businesses and to employees to help them understand how the program works and the specifics of participating in the program. Enrollment, how to you know, major contributions, your withdrawals, change your options. You know, any of those functions and that would be a part of the comprehensive education and outreach effort that the program would undertake. Once it's beginning to get ready to implement.

CHAIRPERSON MILLER: So, a couple of things with that being said, and speaking to the later portion, what agency would be responsible for this implementation and for of course — I know I am putting more work on you there. Do we have the capacity to address that? What does that partnership look like if necessary and then the other portion, let me just say that in terms of the target audience, we in South East Queens, we have this senior appreciation month in which we recognize the contributions of our senior community and we probably service tens of thousands of seniors in the number of different programs there are.

Last week we had 300 seniors in with kind of will and trust and other financial literacy and planning and things of that nature that we have an event this afternoon and so, we can kind of contour some of that around education but there’s also the real target audience which is young people.

JOHN ADLER: Right.

CHAIRPERSON MILLER: Communities of color, whether they’ve had the vehicle to save or have not had the legacy of saving, how do we get to them? How do we reach that target audience and how do we do it in advance to have the conversation, is kind of what I was trying to say, so that when this thing is up and running that we’re meeting our targeted numbers in order for it to have a successful program.

JOHN ADLER: Right, it’s a great question Chair Miller. The truth is, you’re asking about specific that we have not yet decided or moved forward on. I think the idea of doing targeted outreach in advance of the program opening up is a great idea and we should include that in the plan for rolling out the program once it gets up and running, once this board is appointed.

And in terms of the agency, we don't know yet which agency it will be, that's still under discussion. You know, we need to see what the final legislation looks like and then the administration will determine which agency is best suited to operate it to ensure the success of the program.

CHAIRPERSON MILLER: So, thank you and myself and Council Member Kallos, obviously have some ideas about that. So, this is something that we've been working on for a number of years and hope that we can continue to partner with the Administration and make sure that we can get this thing up and running. So that folks can really take advantage of it.

Speaking of which and my question is, have you gotten any feedback from folks in the financial planning community about the city having some type of unfair advantage and kind of undermining those folks who are at times questionable?

JOHN ADLER: Yeah, well, whats interesting is that there are some groups of you know, independent financial service firms that really welcome this because they see it as a possible gain for their businesses in two ways, which I will explain.

The first is that some businesses in two ways, which I will explain. The first is that some businesses will chose to offer their own retirement plan rather than enroll in the city's plan because it would allow them to contribute should they see fit along side their employees contributions for the plan. And those businesses will then turn to you know, local mom and pop independent financial planning firms to help them set up those plans for the business.

The second thing is that look, this will be the start for many people, the first opportunity they have to save, but for many of those people, I would surmise thousands of those people, they will eventually move on to other jobs that do have retirement plans, employer based plans and they will need financial advice to figure out what to do with that money and they will turn to these smaller independent financial planning firms for business.

So, we think and there are some in the financial planning community who agree that these types of plans will actually help them grow their businesses.

CHAIRPERSON MILLER: Within this program, are employers of small businesses are they allowed themselves to contribute? Employers, yes.

JOHN ADLER: Employers cannot make contributions because otherwise it would become an employee benefit plan that is preempted by federal law.

CHAIRPERSON MILLER: No, are the employers for themselves.

JOHN ADLER: Oh, for themselves as employees of the firm. You mean, as an employee, sure. Another words, let me say two things. First is sir, any employee of a business including the owner of the business who pays himself or herself a salary, can do payroll deductions to contribute to the plan, absolutely.

And then secondly, if you have a sole employer, you know, like a one-person business, you know, that person can voluntarily sign up and make contributions themselves if they chose to.

So, for example, if you think about you know, free lancers, for example, if they wanted to contribute, they could sign themselves up and make contributions to this plan which would be easy and low cost and so, it could be advantageous to them.

CHAIRPERSON MILLER: That's excellent to know. There are often times that I hear from small businesses that they themselves don't have a retirement saving plan. The fact of the matter is that their retirement savings plan is often selling their business.

JOHN ADLER: Yeah.

CHAIRPERSON MILLER: And putting potential workers at risk of losing their employment, because unfortunately we live in a time where real estate is often more valuable than a business and that business does not continue and we see workers that may have been with a particular employer for generations and they lose out, everybody loses out.

So, it's important that businesses can remain in business here in the city, simply because the employer can now afford to or has access to a retirement program themselves. So that is good news.

JOHN ADLER: Absolutely.

CHAIRPERSON ADLER: We're going to hear from Councilman Kallos, and I knew he couldn't hold out for much longer.

COUNCIL MEMBER KALLOS: I just want to thank Civil Service and Labor Chair I. Daneek Miller. It is a testament to how long he has been working on this and how deeply he is involved that he actually asked almost every single question there was to ask on this topic.

I also want to thank John Adler for your testimony. I didn't realize how soon after you got the SCIU that we began working together and I am so grateful for your work in founding the center for retirement initiatives at the George Town University.

One of the facts that I learned from them in preparation of this hearing is that since 2012, at least 43 states have acted and I quote, "have acted to implementing a new program undertake a study of a program, option or consider legislation to establish state facilitated retirement savings programs.

So, with that in mind and the fact that not only is this 10 states but it could be 43, what would portability look like?

JOHN ADLER: Well, the plans really are completely portable because they're IRA's. So, an IRA, a worker who changes jobs with an IRA can chose to leave the money in the account and continue to accrue investment returns. They could roll it over to another account, either another IRA that they set up or to another qualified retirement plan, like a 401K that accepts roll overs.

Or, they could take the money and put it in — let's say you're saying they move to another state. Let's say someone moved from New York to California, if the California plan accepts roll overs and I actually don't know whether they do, but if they did, then they could roll the money over to the California plan.

They could also, I mean, the reality is that these accounts will continue to — you know, they don't just sit there and do nothing. They gain investment returns based on whatever investment option you chose, so you can leave it there, you could leave it there for 30 years until you retire and then start to take retirement income from it.

So, they're highly flexible, the IRA structure makes them very, very flexible. And just for the record, that's the time, the 2011 when I started working on this area for SCIU, I started with SCIU in 1992.

CHAIRPERSON MILLER: Okay, thank you so much Mr. Adler for your testimony. We're now going to hear from the next panel.

JOHN ADLER: Thank you.

CHAIRPERSON MILLER: Next panel, Alex Gleason New York City Central Labor Council, Andrew Reggie, Aliya Robinson and Michelle Evermore.

Good afternoon panel, some of my favorite folk. I'd like to say New York is, but everybody is not here now. So, please state your name clearly and we are on a three-minute time clock, so you can begin either end.

ALIYA ROBINSON: Thank you and good after— well, good morning, I think still, Chairman Miller and members of the Committee on Civil Service and Labor. Thank you for the opportunity to join you today to comment on Introduction 888. My name is Aliya Robinson and I am the Senior Vice President of Retirement and Compensation Policy for the ERISA Industry Committee, otherwise known as ERIC.

I have submitted a written statement which details ERIC's recommendations and would like to really focus on the primary concern of ERIC's members, which is the maintenance of ERISA preemption.

ERIC represents large sponsors that operate individually in most if not all states in the nation. ERISA preemption allows these employers to provide consistent and uniform benefits across their entire workforce. Therefore, an employee that works for Company X in New York is able to access the same benefits as employees in California and Georgia who also work for Company X.

ERIC members use ERISA covered benefits to remain competitive and to create a uniform workforce culture across the company, regardless of the employees location.

Furthermore, ERISA provided benefits achieve the goal that this bill is trying to reach. Greater participation in retirement plans. According to a report by the Stanford Center on longevity, 89 to 91 percent of workers offered a retirement plan participate in that plan. Therefore, this committee should not do anything to undermine that success.

For these reasons we make the following recommendations and we do think these recommendations are oversights and we do hope that the introduction can be amended to include these recommendations.

First, Introduction 888 should provide a complete exclusion for all employers that offer a retirement plan under ERISA and not base that exclusion on the definition of an eligible employee.

In the alternative to the complete exclusion, the definition of an eligible employee should be amended to conform with the employee eligibility requirements under ERISA. Such coordination includes setting the eligibility age at age 21 and allowing employers to limit participation in the retirement plan to employees who do not exceed 1,000 hours of service per year.

Finally, the program should automatically exempt without a reporting requirement, employers that provide a retirement plan under ERISA.

ERIC has worked with Oregon, Illinois and California to secure exemptions for ERIC members from reporting requirements and we are willing to work with you to provide similar exemptions here.

It is important to reiterate that with out ERISA preemption, multi-state plan sponsors at a minimum will face undo administrative burdens and at the most, will be unable to offer uniform benefits to their entire workforce that allows them to create a comprehensive workforce culture and remain competitive.

Thank you for the opportunity to testify and I am happy to take any questions.

I would like to thank Committee Chair Miller, Committee Member Kallos and the Members of this Committee for the opportunity to appear today to support legislation to improve access to retirement security for workers in New York City.

MICHELE EVERMORE: My name is Michele Evermore; I am a Senior Researcher and Policy Analyst for the National Employment Law Project.

A quite crisis is brewing; retirement security involves many issues that the public at large find intimidating to talk about, much less follow politically.

People still may recall pension rates of the private sector plans in the past or the devasting bankruptcies at Enron and WorldCom in the early

2000's. It's difficult for people to feel that they have the power to change things.

We have a system that not everybody has access to, but everyone subsidizes through the tax code and that access has racial implications. Economist Nary Reed[SP?] found that only 50 percent of Black and Asian employees and 38 percent of Latinx employees between the ages of 25 and 64 work for an employer that sponsors a retirement plan, compared to 62 percent of White employees.

The racial wealth gap, perhaps more of a chasm, has increased 33 percent between 1983 and 2016. We must start to level the playing field, and this is a small but positive step in that direction.

There are reasons that people don't just go out to a broker and buy an IRA off the shelf. First, the initial buying can be as much as $1,000. But also, saving for retirement goes against a great deal of human nature, like overcoming inertia and prioritizing our future selves. There's a study that pension policy folks talk about, the Stanford Jam Experiment. It's been duplicated over time, but it boils down to this. Consumers were given a finite number of jams to taste and we had a small number of jams to chose from. They generally bought a jar of jam form the vendor, but as the number of jams increased, participation started to drop off. People didn't want to buy jam anymore.

Now, imagine that jar of jam, is actually dozens of providers selling a complicated financial instrument with twelve kinds of fees and hundreds of possible investments. It's just not reaching regular working people.

Passing this legislation would give every New Yorker access to a good low fee professionally managed plan with a safe default investment. The auto enrollment feature will help to address inertia issues.

One vanguard study showed an increase from 47 percent participation before auto enrollment to 93 percent after. A competent board can make sure that the investment options are good, low fee choices and can help clear up decision paralysis. And the involvement of accountable public servants can help to overcome cynicism about the legitimacy and the investment.

While the current retirement system is skewed to hire income workers, this publicly run program can begin to address this massive inequality and I am glad to answer any questions.

ALEX GLEASON: Thank you for the opportunity to speak Council Member Kallos and Miller. My name is Alex Gleason and I am the Director of Policy Research and Legislation at the New York City Central Labor Council of the AFLCIO.

Comprised of $1.3 million workers across 300 affiliated unions, the New York City Central Labor Council, AFLCIO, recognizes the necessity to address retirement security.

New York City and the United States are in the midst of a retirement security crisis. Retirement is a slow-moving crisis, because despite income level, most workers approaching retirement age simply do not have enough saved to retire.

Research finds the median account balance for workers nationally aged 55 to 64 is just $15,000 and $18,000 in New York State, with approximately two-thirds of workers in the bottom half of the income distribution both at the state and federal level with nothing saved for retirement.

This is not relegated to low income people. As even those earning in the top ten percent have a median balance of just $200,000, which is meant to last for the entirety of retirement. Low to nonexistent retirement account balances will leave many from a Marriott of incomes with an insufficient replacement rate in their post work years.

Experts assert the key to sound retirement is replacing as much monthly income from working as possible with income saved in retirement. It has been described as a stool with three legs; savings, social security, and a retirement plan. Startlingly, 65 percent of New Yorkers are not covered by a plan, many lack any savings at all, and most will rely solely on Social Security Income, approximately $1,471 per month.

Most people in New York City will not be able to retire with the new school Schwartz Center, estimating as many as 825,000 in the state, 41 percent, will experience downward mobility.

One impact of growing retirement and security is the sandwiching pressure on working age children of the elderly who have children themselves.

Elderly people without adequate retirement savings, may rely on their grown children for support, which in turn puts pressure on those adults working. Adult workers with both aging parents and growing children are effectively squeezed into supporting both the generation below and above ironically making it harder to save for retirement themselves and perpetuating the downward decline and standards of living.

The most effective plan to prepare for retirement is a defined benefit pension. Pensions have provided lifelong income to workers which contribute to the three-legged stool necessary to retire.

Among workers, 70 percent have a retirement plan in unions which is a hard-fought victory that has transformed the lives of those people. Historically, the growth of collective bargaining has led to greater retirement security for workers. With this legislation, New York City has an opportunity to provide individuals a vehicle to prepare for the future and save for retirement. Intro.'s number 888 and 901 are important first steps to providing individuals in the city a foundation to save. It is necessary to incentivize as much saving for retirement as possible and any efforts to do so by the city should be commended.

ANDREW RIGGIE: Good afternoon, my name is Andrew Riggie, I am the Executive Director of the New York City Hospitality Alliance. We are a not for profit trade association that represents restaurants and night life establishments throughout the five boroughs.

Clearly, we have discussed in the past, there is a growing concern especially amongst small businesses about the increasing number of administrative burdens that they are required to manage.

With that being said, we do understand the importance of this issue and I have submitted written comments but did want to take this time to address a few matters. The issue of ERISA has come up, we have comments in our testimony that address that, but specifically to the restaurant and night life industry, where workers can earn a significant amount of their income from tips, which they leave with after their shift, result in a weekly paycheck that can be either close to zero or in some cases negative. That is because the taxes from the tip income is taken out of their weekly paycheck. So, we find it difficult to understand how an employee would be able to make a direct contribution with a zero or negative paycheck.

A second point comes the documentation status of certain workers. It's our understanding that many of these benefit programs require the submission of a Social Security or a TIN number. In certain industries, this can certainly be a challenge if an employer is required to provide information about the benefit program to their employees and they respond that they would like to participate but are unable to provide an identification number, we need to figure out how that would exactly work.

You may also be aware that the Social Security Administration has been submitting to employers no match letters. Basically, stating that an employee's Social Security number that was submitted upon employment does not match what they have in their records, therefore in certain cases we believe you could have someone making contributions under the identification number of another person. Which is something that we believe also needs to be written about or addressed.

Finally, there is a comment made about the administrative fees and the cost to administer such a program by the city. I just want to let you know that I've spoken with many of our members, smaller restaurants and some of the larger restaurant groups leading up to this hearing. And they said, generally almost about 100 percent consensus when they have offered these programs to their hourly employees. There has been almost zero participation in them. The are usually taken advantage of by either management, level employees or more kind of executive level.

So, that's just something to express that we haven't found much participation, but we'd certainly be interested in working with the Council to find ways to better provide information and encourage employees to participate, but that's something that's definitely important because we just have not found that much participation.

And thank you and happy to answer any question.

CHAIRPERSON MILLER: Thank you so much for the panel. Council Member Kallos.

COUNCIL MEMBER KALLOS: Yes, I will go in reverse order, just starting with Hospitality Alliance. I understand the anecdotal experience in terms of voluntary sign on. There's been a lot of testimony today already that having auto enrollment increases sign up by 15 times. Is it something that you think your members might be open to as a default versus trying to beg people to sign, to join in?

ANDREW RIGGIE: You know, it's hard to say, I'd have to go back and speak with them. You know, if you were to have an auto enrollment but the belief behind my comment stays true, where most employees for whatever reason do not want to participate. It would seem that it would create more of an additional administrative challenge to then manage them opting out, but I'd be happy to go back and have those discussions.

COUNCIL MEMBER KALLOS: How long does it take a business to set up payroll for a single employee as they move people on and off?

ANDREW RIGGIE: I couldn't tell you exactly.

COUNCIL MEMBER KALLOS: But it's a part of doing business.

ANDREW RIGGIE: Sure, yes, absolutely. We understand and you know, restaurant and especially a lot of small businesses, there's a high turnover. So, there's quite a bit of administrative just with the onboarding and offboarding process.

COUNCIL MEMBER KALLOS: And is there any federal or state requirements relating to payroll deductions that employers already have to deal with? Such as child support payments?

ANDREW RIGGIE: Yes, so I mean, most of you are working with a payroll company. You know, there's a list of the deductions, certain taxes are automated, others are being updated. So, while it's certainly something that manageable, my point, I think, which is going to your implication is that yes, they are already doing this as a course of business, but it is adding an additional step and when it's something that would be required of every employee.

COUNCIL MEMBER KALLOS: So, I guess the step here or so — and then do any of your members already offer retirement programs?

ANDREW RIGGIE: Yeah, so, many of — I don't know the exact percentage but yes, businesses do offer retirement programs. They find more participation among either a managerial or executive level employees and usually the hourly employees tend to opt out. I was just speaking with someone, a larger group with about 600 employees and they say —

COUNCIL MEMBER KALLOS: But they are not opting out, they are failing to opt in, but I guess administering a plan, they're doing all the work versus here their just starting off when they onboard a payroll deduction.

So, I guess, that was just the point I wanted to make. I want to go to the ERISA Industry Committee. In your testimony you specifically provide language suggesting that an exclusion for all — and I quote, "an exclusion for all employers that offer a retirement plan under ERISA and not based on the exclusion of the definition of eligible employee." However, in the DOJ Statement of Interest in Jarvis I quote, "this preemption regime is of course not boundless where a state law is indifferent as to the ERISA coverage of plans within its scope, such as where the law affects a broad class of arrangements that may incidentally contain ERISA plans, such a law does not make reference to ERISA and does not trigger preemption."

Where do your recommendations stand with regards to Jarvis and the DOJ's recent Statement of Interest?

ALIYA ROBINSON: Well, I did not get a chance to weigh in with the DOJ, so I don't know how they would feel about it. The language I gave was an example used under the Illinois secure choice and just from ERIC's perspective, we think that language provides a clearer path just making clear that employers that are providing an ERISA plan, aren't subject to the city proposal.

COUNCIL MEMBER KALLOS: Are you open to a broad exemption just to anyone offering a retirement vehicle, regardless of whether or not it is ERISA?

ALIYA ROBINSON: We're definitely open to that.

COUNCIL MEMBER KALLOS: Great and then to the National Employment Law Project, I made reference to it in my comments about John Oliver who did a show about this exact topic, but it was not something that I got in your brief three minutes.

Can you just elucidate what's the issue with fees and these retirement accounts and what could possibly be the damage here?

ALIYA ROBINSON: According to the FCC, an additional one percent paid in fees on a $100,000 investment can cost the investor $28,000 over 20 years. Put another way, according to an AAPR study many years ago, a one percent increase in fees could mean an ultimate account balance that's 20 percent lower.

That's because fees compound exactly the way that other interest does. So, a little bit of fees this year, means more next year and more next year, it's cumulative.

CHAIRPERSON MILLER: Thank you, we've been joined by Council Member Rosenthal. Thank you and I want to thank this panel for your thoughtful insight and certainly we will be calling on you again, but I do want to just shout out the CLC for it's testimony. Obviously, this is something that we've worked on for a while. We've obviously had to have conversations about it, that we are — and I think that we are of the same mindset that it is the defined benefit pension that we all aspire to have and that has diminished in the American workforce and even where it exists, it has to be a multi prong approach to be able to have the quality of life with the ever increasing costs of living that is taking place and I'm glad that we have all of these voices at the table as we move forward and try to do what we've all been tasked with doing is providing the quality of life for workers particularly in their retirement.

So, thank you so much to the panel and we're going to call the next panel now, thank you.

Carolyn Crawford, Allison from the American Retirement Association, Angela Antonelli and Richard Mcgahee, Lizeth Valis[SP?]. Okay, please state your name, speak directly into the microphone and we can start at either end when you're ready.

CAROLYN CRAWFORD: Hi, my name is Carolyn Crawford; I represent the Center for Retirement Research at Boston College and my testimony today is joint with Lacie Monel[SP?].

I thank you for inviting us today to testify regarding New York City's proposed retirement saving plan. My colleagues and I at the center have worked with Oregon, Illinois and Connecticut on their auto IRA programs and my purpose today is to share some of what we've learned, which may help inform New York City's efforts.

In our experience, three criteria are essential to success. First, mandating employer participation and the explicit use of enforcement mechanisms.

Second, minimizing employee opt out behavior and third, setting a significant default employee contribution rate.

I will touch briefly on each of these three points and will refer you to my written testimony for further detail.

The first criteria is ensuring employer participation through the use of an employer mandate with enforcement mechanisms. Employer participation is critical to both the financial feasibility of the program, as well as employee reach. A mandate is absolutely necessary to get employers on board; however, experience in Oregon Saves has shown that an employer mandate is not enough.

Employer enrollment has been slower than expected in Oregon. In part, that can be attributed to their lack of explicit enforcement mechanisms set out at the outset of the program. And so, an employer mandate must be coupled with explicit penalties from employer noncompliance and New York City’s current proposal does have both elements addressed.

The second criteria is minimizing employee opt out behavior. Once employers sign up, the next challenge is to keep these employees participating. Importantly, employees without a plan at work, differ from covered workers in several keyways. Uncovered workers tend to work fewer hours, tend to earn less in wages and tend to switch jobs more frequently.

Oregon has done a good job in keeping the majority of participants in the program and in part, this can be attributed to their communications campaign which is focused on education through simple and concrete content.

The third criteria, I'd like to address today and really emphasize here is the importance of setting a default contribution rate that's sufficient to generate enough revenue for program financial feasibility and importantly, to accumulate meaningful account balances for retirees.

As addressed earlier today, New York City's proposal has that three percent rate. Analysis at the center has shown that a five percent rate at minimum is necessary for both financial feasibility and employee balances.

Our analysis of other auto IRA programs have shown that the higher the contribution rate, the less time it takes for states to become cost neutral and the less time it will take for an administrator to become profitable. And when seeking for an administrators bid, these are the elements they'll be considering.

Importantly, I'd like to stress before concluding, that increasing default contribution rates has not been shown to decrease participation from employees and that employees do tend to stick to the default rate.

So, in conclusion, with the current proposal, while it does include an employer mandate with explicit enforcement mechanisms, the three percent default contribution rate the center believes will be simply insufficient for both goals of the program. Thank you.

ALLISON WIELOBOB: Thank you, Chairman Miller and other members of the Civil Service and Labor Committee for the opportunity to speak with you today about Intro. 888. My name is Allison Wielobob, yes, that is my given name and I serve as general counsel of the American Retirement Association.

Today, I speak on behalf of the ARA and its five underlying affiliate organizations which represent the full spectrum of America's private retirement system. This includes actuaries, administrators, accountants, attorney's and financial advisors focused on working with the sponsors of qualified plans.

We strongly support the goal of helping the citizens of New York City strengthen their retirement security by facilitating well designed workplace-based retirement plans and we have consistently and actively supported proposals to expand retirement plan coverage in the private workforce.

It’s our long-held belief that automatic enrollment is an important and an effective tool for increasing savings rates and employee participation. Moreover, we have also supported proposals and programs run by states and localities that are designed to promote and facilitate retirement savings by those who are not covered by an employer plan.

With this in mind, our concerns regarding the proposal fall into two general categories. The proposal should automatically exempt employers that sponsor an ERISA covered plan rather than base applicability on the meaning of eligible employee.

And this program should not require covered employees to use the city’s retirement savings options. An employer should be allowed to select a payroll deduction IRA or qualified plan from the Market Place.

We think that the proposal would place undo complexity and burdens on employers by imposing a set of rules that parallel the extensive and effective set of federal rules that already apply to workplace retirement plans.

ERISA enables employers to structure their plans that meet the needs of their workforce and provides comprehensive governance at the federal level. In enacting ERISA, congress recognize the potential for differing state standards and provided for a preemption of conflicting state and local laws.

Congressional intent was that ERISA would occupy the field and supersede the operation of state and local law on the same subject matter, without regard to whether or not an actual conflict exists, so said the Supreme Court.

We're concerned that the proposal overlaps with ERISA's comprehensive governance of private sector plans and as you know, similar proposals in several states including Oregon, California, Illinois, Maryland and New Jersey to name a few exempt employers that offer ERISA covered plan to their employee.

The ARA recommends that the proposal be amended to automatically exempt employers that provide an ERISA covered plan rather than base applicability on the meaning of eligible employee. We recognize that far too many Americans lack access to a retirement plan at work and employers may chose from among many plans available at reasonable cost, including straight forward payroll deduction programs.

The problem is that many business owners are understandably focused on running their businesses rather than focus on offering a retirement plan to their employees.

Thank you for the opportunity to testify today and I’m happy to answer any questions.

ANGELA ANTONELLI: Chairman Miller and Members of the Committee, I am Angela Antonelli; Research Professor and Executive Director of the Center for Retirement Initiatives at Georgetown University.

Thank you for your leadership and this opportunity today. The views I express are my own and shouldn’t be construed to represent any official position of Georgetown.

As you know, about one half of the private sector workforce nationally lacks access to an employer sponsored retirement plan. In New York City, that number is almost 60 percent of the private sector workforce. A readily available workplace retirement savings plan dramatically increases the likelihood that workers will begin to save for retirement.

Since 2012, more than 40 states have introduced legislation related to state facilitated retirement savings programs. As of September 2019, there are 11 new state facilitated programs that have been enacted in 10 states and one city.

The auto IRA model is the predominant model in new programs and legislative initiatives. 6 states and one city have enacted laws establishing these payroll deduction IRA programs. Of those auto IRA states, three, Oregon, Illinois and California, have launched and are already enrolling workers.

A review of bills introduced in states in 2018 and 2019, show that most are introducing the auto IRA model. In addition, states that enacted a different program model, notably a marketplace, are beginning to move toward an auto IRA approach.

There are several positive trends that illustrate why these auto IRA programs are a smart approach. Number one, employers and workers strongly support the program. The level of support has only grown stronger as more workers become familiar with them.

For example, 82 percent of the people in Oregon support Oregon Saves after its first year of implementation. In addition, the participation rate of eligible employees have remained high averaging more than 70 percent for Oregon.

Number two, employee contribution levels are important to success. As you've heard, when these programs are first being developed, a three percent rate was considered, but experience shows workers are comfortable with a five percent savings rate and are saving more than an average of $100 a month.

Number three, assets are growing rapidly for Oregon Saves, assets are now approaching more than $25 million reflecting a steady and rapidly increasing upward trend and Illinois Secure Choice has already surpassed $5 million in its first eight months.

And four, fees are already decreasing. The investment fund fee reductions have already occurred with Oregon Saves with tour of their funds. A new state facilitated auto IRA program for New York City will change the retirement landscape in nine important ways. It will help millions of workers better prepare for retirement because saving something is better than saving nothing at all.

Number two, it will help small businesses be more competitive in the search for talent and recruiting workers. Number three, it will allow employees to be more mobile, making it easier for them to move between jobs and keep their accounts when they move. Number four, it will have the potential to assist gig workers by voluntarily allowing them to use the program. Number five, it will benefit underserved population, especially Hispanic workers. Number six, it will reduce the burden on state and federal budgets if fewer poor seniors have to rely on public programs to make ends meet. Number seven, it will be a model for other states. Number eight, it will inspire innovation and number nine, it will create new opportunities for the private sector to help new savers manage their money and challenge them to develop more cost-effective plans.

The scale of a program in New York City will make a meaningful difference for residence while providing valuable models and lessons to guide future action for the rest of the nation.

Thank you very much and please accept my much more detailed statement for the record.

RICK MCGAHEE: Chairman Miller, Councilman Kallos, thanks for this opportunity to testify. My name is Rick Mcgahee; I am a senior fellow at the Schwartz Center at the new school. I am the former Secretary of Labor for overseeing ERISA, I was nominated by President Clinton and confirmed by the senate in that position. I also served as the US Senate Chief Economist on the Labor Committee and Economic Advisor to Senator to Edward Kennedy on these issues.

There is a lot of data that’s been thrown here including some of our reports, so I am not going to repeat all that, but we are happy to submit. I have a longer statement for the record that goes into this but just — there’s nothing official from the new school, but you put your finger on the main problem here. That we have a lack of pension coverage. A lack of universal pension coverage in New York City, two-thirds of workers, millions of workers in New York City do not have access to a workplace pension coverage and I think that number is pretty staggering.

The other think to note is that among current workers who have plans, their in danger of falling into poverty when they retire. A lot of workers who make above a poverty level wage now, because of the lack of retirement, we estimate there could be over 400,000 workers in New York who are in danger of falling into poverty once they retire and these are workers who are not currently working in poverty.

For the ones working in poverty, they are also in danger of that. So, we have got a real, real crisis on hand. I want to commend the City in its great history in New York City, it has always been a leader in looking for progressive ways to address problems and I think this program falls directly into it.

The proposal follows a model that's shown success in many states as has other witnesses have testified to. Our Director Teresa Ghilarducci has been an important figure, sorry she couldn't be here directly to testify today, but the Schwartz Center has been a big advocate and a big researcher and assistant to a lot of these states on these issues and we stand ready to help the Council as you move forward.

This is a — the voluntary system, there is some controversy about whether these can be mandatory plans or not and I just want to say, we have a voluntary system in New York. This is what’s wrong with the New York State plan actually, it’s voluntary.

The voluntary system is what we have now, and it doesn’t work. I spent and lots of people have spent their careers trying to make this voluntary system work and the result has been declining coverage, declining balances. I was again, Assistant Secretary of Labor overseeing the private retirement system, overseeing ERISA. We have tried and tried to make this voluntary system work and what we get is less coverage and less retirement balances.

So, I know the problem, that hundreds of thousands of New Yorkers could fall into poverty, millions don’t have coverage and we need the leadership that you all are providing to move ahead to get New York State with these other progressive locations to devise a plan that will meet legal tests, will meet legal standards.

As one of my colleagues here said, will actually help small businesses. It will take some administrative burden away from them and allow them to offer retirement plans or have the workers participate in retirement plans, which helps give them a competitive advantage in the labor market.

So, for all those reasons and more detailed in our testimony, this is a great plan.

LIZETH VALIS: Hi, my name is Lizeth Valis thank you for the opportunity to be here; thank you Council Members. I have two concerns and they are my concerns as a private citizen who has been a business owner and has paid into the system both privately. But as a city worker, I've had certain challenges and concerns that I'd like to express.

One is I've asked to switch from one retirement system into the next and it's only upon appeal, upon appeal, upon appeal and prodding and telephone calls that I have been successful in doing so. I think this is really unfair.

Two is, when I requested to go into the board meetings to inquire in person as to why my money that's being managed is not in an open meeting as we have here in New York State and New York City and sunshine laws do not apply, these are not executive sessions. Not all the meetings should be executive sessions. I have not been allowed upon my requests through phone calls, letters and so forth. These are concerns that I need to express as a private citizen, and I think they should be addressed and I'm hoping this is the forum to do so.

Thank you very much for allowing me to express my concerns. Thank you.

CHAIRPERSON MILLER: Thank you very much and I don't have a written testimony. That was an interesting statement and we'd like to take all this into account as we move forward and build this program. Also, Ms. Antonelli, we don't have your written testimony. So, we want to make sure that we have that for the record as well.

Okay, Council Member Kallos also has some questions for the panel.

COUNCIL MEMBER KALLOS: I'm going to try to move on quickly. I first want to start by thanking Angela Antonelli, Executive Director at the Georgetown University Center for Retirement Initiatives. First, for coming all the way here but also second, for giving me access to the state resource center, which allowed me to prepare for todays hearing and all the questions I received from the press court. Certainly, an amazing resource that you've put together here, and I thank John Adler for his work with you on that.

ANGELA ANTONELLI: I was going to say, thanks John for being one of the founders.

COUNCIL MEMBER KALLOS: And I just want to ask a question to the American Retirement Association. So, within the text of Intro. 888, we do provide a fairly broad exemption relating to retirement plans. I raise the issue of the Jarvis case. Why do you believe that the existing language is not sufficient to exempt every plan including those incidentally that would ERISA? Please turn on the mic.

ALLISON WIELOBOB: Well, the eligible employee definition if I remember it starts at age 18, correct?

COUNCIL MEMBER KALLOS: I'm open to moving it to 21, but with regards to a specific exemption for ERISA plans that we're trying to steer away from that will preemption.

ALLISON WIELOBOB: I'm sorry, so what's the outstanding question right now then?

COUNCIL MEMBER KALLOS: We have a laundry list of definitions of retirement plan.

ALLISON WIELOBOB: Sure.

COUNCIL MEMBER KALLOS: We don't actually mention ERISA because of the federal preemption. Is there a reason why the list that we currently have here is insufficient to satisfy your concerns and those of the other trade associations.

ALLISON WIELOBOB: I think an explicit carve out of ERISA plans is needed.

COUNCIL MEMBER KALLOS: Or federally preempted.

ALLISON WIELOBOB: Correct, are you saying your federally preempted from doing so?

COUNCIL MEMBER KALLOS: Under the guidance provided in the Jarvis Statement of Interest.

ALLISON WIELOBOB: This is the District Court opinion?

COUNCIL MEMBER KALLOS: Not an opinion, this is just what the DOJ said.

ALLISON WIELOBOB: Again, American Retirement Association didn't participate in that.

COUNCIL MEMBER KALLOS: No worries. Okay, and then I just want to turn to Rick. Thank you for your service in the Administration. Thank you for your testimony. I just wanted to clarify the definition of voluntary is whether a person can opt in or opt out and this is still a voluntary plan, it's just a question of whether or not it is an auto enrollment or not, is that correct?

RICK MCGAHEE: Yes, that's right. The 1975 Safe Harbor provisions in ERISA are very clear about their four — you know them better than I do because you practice in this area, but there are standard Safe Harbor provisions in ERISA that include the employer makes no contributions. The employer participation is voluntary and there are other elements as well. And I just want to note, I guess it was a little unclear but what you were saying that the Trump Administrations intervention and Jarvis is trying to say that if you use the words ERISA in the bill, you then are automatically preempted.

So, to mention ERISA, they then want to claim that that somehow is involved that makes it an ERISA plan. So, the Trump Administration has a lot of antilabor and antiworker provisions going.

So, that intervention in Jarvis, it hasn't been accepted by the court yet. But I understand your caution on this now given the way the Trump Labor Department is approaching this.

COUNCIL MEMBER KALLOS: Thank you all for testifying. Thank you all for your testimony, it will be added to the record.

CHAIRPERSON MILLER: Thank you so much. Next panel, Beth Finkel and Sarah Mysiewicz Gill.

Good afternoon, you may begin. Please identify yourselves and speak into the mic.

BETH FINKEL: Okay, well, good afternoon everyone. Chairperson Miller and Members of the Civil Service and Labor Committee. My name is Beth Finkel and I am the State Director for AARP New York and on behalf of our nearly three quarter of a million members in the five boroughs of New York City, I am here to thank you for giving us the opportunity to testify but also to make sure that if you didn't hear us loud and clear earlier today, our members care very, very deeply about this issue.

The legislation to establish a workplace retirement savings program in New York City is a very effective solution to help employees save for their retirement.

Today, to get a secure retirement in New York State is very difficult. As a matter of fact, in New York State, there are 3.5 million people who go to work everyday and can't save for retirement in the workplace because as we have stated previously, there is less define benefit plans, companies are not offering 401K's and so, what is someone to do? And if money is not taken automatically out of your paycheck, people are less likely to save for their retirement and if they are able to take the money automatically out of their paycheck, they are 15 times more likely to save for retirement.

So, I applaud you Council Member Miller and Council Member Kallos for taking up this legislation because it couldn't be anymore essential. Not just to the quality of life, but at the very essence of life for people as they age.

In a 2015 AARP survey, New York City voters ages 35 to 69, many of them worried about their personal finances and the two things that we found in common with Gen X's and boomers; although they say their not exactly like this. They are so worried about being able to save their retirement.

As a matter of fact, three quarters, 78 percent of the Gen Xers said they were worried about being able to save for retirement. That's a really staggering statistic, I think.

In 2017, AARP partnered with the Asian American Federation, the Hispanic Federation and the NAACP and the Urban League because we knew that inherently there was an uneven playing field for the people of color in our community. And so, we've all joined together to look at this and the numbers are even more staggering when you look at exactly what it means to communities of color to be able to save.

In fact, members of those communities have saved less than 50 percent of what White New Yorkers have been able to save and they are so much more dependent on Social Security.

As a matter of fact, Social Security benefits you know, are tied to one's earnings and because people of color generally earn less money throughout their lives, they end up with less Social Security. The average Social Security payment in New York State is around $16,000 a year.

You can't support yourself in New York City on $16,000 a year and that's why empowering people to save for themselves is at the heart of this. You know, this is not about saying to companies, you must do this for your workers. This is about empowering the workers themselves, because in fact, companies are not going to be able to contribute to these plans that will not be allowed.

So, this is truly about empowering individuals to be able to save for themselves, because as I said earlier, they are 15 times more likely to save for retirement if it's automatically taken out of their savings. I just want to reinforce the point I made earlier that people 50 plus contribute $70 billion to the economy of New York City every single year. That's called the longevity economy and that is something that we need to enhance and keep supporting because as I said before, their not taking their money offshore, they are spending every single penny of their retirement back in the community and that's what we need and that's what they want. They want their own money to be able to spend locally and we have to be respectful of people and make sure that that happens, both for the sake of good fiduciary responsibility on our parts as citizens in government but also to empower individuals and allow them to age with dignity.

So, again, this proposal will ensure that it is mandatory for employers of a certain size and that it's opt out for employees which is very key to its effectiveness.

AARP would like to note that while we are testifying here today in support of both Intro. 888-A and 901-A, we strongly urge the Council to update the language of 888-A to reflect that of the Administration. In particular, AARP supports lowering the threshold to require employers with five or more employees to offer a workplace retirement savings account.

Additionally, we would like to see the default employee contribution increased from 3 to 5 percent. So again, thank you for the opportunity and thank you for working on something that is so important to our whole society. We can't thank you enough.

SARAH MYSIEWICZ GILL: Thank you very much. My name is Sarah Mysiewicz Gill, I am with the AARP office in Washington DC and in fact, I also sit on the Maryland Retirement Security Board. I am the Program Design Committee Chair for them, and I've also sat on the Pennsylvania Task Force on retirement security and they are working on passing some more legislation as we speak.

So, I've traveled through the country and I have worked with every state that has engaged on passing this legislation and if you have questions about what going on throughout the country, I'd be happy to answer them.

I'd also like to say that I have a personal story about this. I actually come from a small business family. My grandfather owned a small business, my father owned a small business and my mom was a teacher with a pension. So, I got to see both sides of the coin and I know that without that pension, my parents would not be afloat in retirement.

And that's the sentiment I've heard throughout the country. In fact, from states that have passed this bill. In fact, one of the first Illinois secure choice adopters was a restaurant and to the earlier testimony, that just shocks me, because what this line cook who was saving for retirement for the first time in his life said was, gosh, I thought saving for retirement was for lawyers and doctors. I did not know this was for me.

And that was the first time he really had the ability to do this. And we have seen bill after bill on the federal level. In fact, in 2008, both President Obama and John McCain supported a federal version of the bill before you today, but nothing has happened, and it's been more than a decade. So, states and cities are stepping into that breach and AARP is working with them throughout the country.

In fact, we've worked with more than 40 states to either consider this legislation, pass it, or get it up and running. As you heard earlier, there is more than 10 states that are already getting this program up and running and we're working strongly with each of them. Not only to make sure that it's rolled out in a way that is effective and to make sure that it saves taxpayer dollars, but also to make sure that the education and outreach component is there, because as you've heard, this is really important to make sure that both employees and employers know.

The number one fact I think it's important to remember is that employees are always in the driver seat. That means that they can choose how much money they want to put away. If they want to put money away at all. They can opt out at any time and they choose where they want to put it.

Also, importantly, employers are in the driver's seat here, because they can chose whether or not they want to use this backup, plug and play IRA that you are setting up.

They don't have to run it; they don't have to pay for it. They can continue to focus on keeping their business open and that's what we want them to do. We want them to be able remain competitive with other states and localities in the area. If you look, New Jersey, Maryland, Pennsylvania, Maine, New Hampshire, Vermont, their all considering this type of legislation.

We want local businesses to stay competitive and this is the best way that we know to do that. To keep employers and employees in the driver's seat and to make the right way, the easy way. Thank you.

CHAIRPERSON MILLER: Thank you so much and thank you for AARP's not just support but their leadership on this effort. Obviously, we could not do it without you but more importantly for recognizing the need and the critical point in this country junction that we find ourselves and we could prepare for the next one, but I just want to thank you for helping out this morning. But a lot of the information that was provided and I think one critical point that came out as we talk about divine benefit pensions and are, they enough. Are they you know, with the rising costs of living that five years from now, the quality of life that you thought you were going to have is forcing you into seeking out other employment and you shouldn't have to do that in your retirement age. And so, we're hoping that we can provide the savings plan that will assist in that quality of life that so many Americans and so many New Yorkers so richly deserve.

So, thank you so much and we have Oregon. Good morning and I guess it is morning in Oregon and I thank you to Council Member Kallos for the technology and thank you for your expertise for sharing.

COUNCIL MEMBER KALLOS: So, we wanted to welcome you to the hearing. We saved the best for last. We've been referring a lot to Oregon Saves, because you have been doing this for a number of years and so, you have about three minutes if you can share whatever testimony you've prepared, and we may have some questions.

MICHAEL PARKER: Sure, I'm happy to Council Member Kallos and for the record, my name is Michael Parker, Executive Director of the Oregon Savings Network here at the Oregon State Treasury.

The network really focuses on the promoting the financial security of all Oregonians and that includes retirement savings.

In 2017, Oregon launched the first in the nation auto IRA for private sector workers. Oregon Saves created a response to our states and our nations retirement savings crisis. It won't surprise you to hear some stats that more than half of the private sector workers in United States lack access to employee retirement savings at work.

In Oregon alone, with the working age population here about $1.8 million, there is an estimated one million private sector workers without such access to save for retirement at work. And the reason why it's so important to do it at your place of business is, a research by the AARP shows that workers are 15 times more likely to save if there is an option to do so at their place of business.

So, I am pleased to report that the program here in Oregon works and has already achieved significant success in it's initial rollout. I will give you some statistics. About 3,200 employers have started submitting payroll contributions for their employees.

That equals about 50,000 accounts of an established or new savers and that equals about $30 million saved over just two years. And I will remind you that we're not quite through our rollout. We still have the smallest employers yet to go.

Our average monthly contribution is right around $126 per month and total monthly contributions are nearly $4 million and that's increasing every month. And it's nice to see that our participation rate continues to hold steady at about 70 percent which is what was projected.

Participating workers contribute to their IRA with every paycheck and those IRA's are tied to the worker, ensuring that the worker's account is portable and will always remain under their control and workers can opt out if they want but most are staying in about three out of every four eligible workers.

Oregon Saves is adding approximately 1,000 savers every week. Now, we anticipate that to increase over the next few years as our smaller businesses join the program in the final ways of the rollout. The participation rate for eligible workers has remained steady as I said, around 72 percent and that is consistent with our market analysis that was completed back in 2016.

One thing that I think is very important is we continually test this program with the public. We want to make sure that we're doing what they need. We want to make sure that we're providing the support and the proper options that the employers and the employees need. And the public overwhelming supports Oregon Saves. Employers say it's easy to sign up for workers and based on a recent public survey that we conducted with a professional organization, the level of support has actually increased in the first year. That pole found that an astounding 82 percent of people support Oregon Saves and I think that's an important number because we wanted to make sure that this program was widely spread out and that people understood it and I think that we've achieved that goal.

And so, really in conclusion, the success of Oregon Saves will have long term positive implications for the savers and for Oregon.

Obviously, the more people that save much like college savings and other savings that people do, will have a positive financial impact on the state as a whole and it has the ability to — Oregon State has the ability to save already improving the business climate here and already increasing the long-term financial stability of thousands of Oregonians.

So, I will just say again, in conclusion, that this program has gained momentum over the past two years. Again, we're not quite finished with our rollout yet and as you may know, Oregon is a small business state. So, we're going to see a number of employers coming online with ten employees and under and that is really where we want to really hit our stride is working hard with those employers to make sure it's easier for them to set it up and that they have the support to make sure their employees save.

So, with that, I am happy to answer any questions that anyone on the Council has.

CHAIRPERSON MILLER: Thank you so much again for taking your time to participate in this hearing. It appears that the program based on your study analysis and implementation is kind of going according to what was projected or predicted, but based on implementation and what you've seen thus far, are there any things that you are looking at to do differently? Anything that you would have done differently? But more importantly from a city the size of New York and given it's economy and what it's workers look like. Do you have any suggestions for us?

MICHAEL PARKER: Sure, Council Member, I mean, I think that's something that we always try to figure out what we can do better. A couple of things come to mind immediately. There needs to be a major focus on employer outreach, because again, as I'm sure the city has much like us, there's going to be a number of small businesses you know, that have 10-20 employees and a lot of those employers are going to need just a lot of help getting things moving but once it's set up, it's very easy for them.

I didn't mention this, but our largest participating sector is the restaurant or food service sector, which I imagine would equate well with the City of New York.

The second thing I would say that I wish we had done when we passed a law back in 2015, was had our compliance function built in. We don't want to be onerous on compliance but again, this is a mandate by the state and so, employers are required to facilitate if they don't offer a product and by not having compliance at the beginning, we sort of set up a culture of noncompliance, instead of the other way around.

So, I would say that's a big one. I would definitely try to put a compliance function in at the beginning just to make sure the culture is hey, we have to comply. Here are the rules and that employers can't think to themselves, well, I don't have to do it because there isn't any penalty or a compliance function.

CHAIRPERSON MILLER: Thank you. Council Member Kallos.

COUNCIL MEMBER KALLOS: Thank you for sharing the information regarding folks in the restaurant industry. We've received a number of concerns relating to low wage workers. What are you seeing in terms of their participation rate? Does losing 3 percent or 5 percent out of their paycheck cause them to opt out of the program or are they staying in the program?

MICHAEL PARKER: Council Member Kallos, essentially, they are staying in the program as much as anyone else is up to that 70 percent participation rate. It won't surprise you that when we do survey's with folks who opt out, no matter who it is, they say well, I really can't afford it at this time and that's the beauty of the program is if someone doesn't want to be in, they can opt out. But we're seeing a steady 70 percent participation rate and most of those workers are 18 to 35. They are first time savers and they are likely making minimum wage or a little more.

So, they are lower income workers and they see the value of retirement just like anybody else does.

COUNCIL MEMBER KALLOS: Are workers who are contributing to their retirements seeing their debt go up or trouble with mortgage payments? Are there any affects that were unintended that you are seeing?

MICHAEL PARKER: Council Member, we're not seeing that. That's an interesting point because you can imagine, there is a number of researcher out there from Duke to Pew, to University of Oregon that want to study some of those issues. But we aren't seeing that anecdotally, we're not seeing that when we do the survey's. All people are saying essentially when they opt out is, well, right now, I just can't afford the extra money.

They don't necessarily disagree with the program. It's just at that point and time, they need the extra 5 percent in their paycheck. The other thing we're seeing is, instead of someone opting out, they may decide to say well, I'm just going to just do 2 percent or 3 percent instead of the default 5 percent.

So, anecdotally, we're not seeing any of those issues around debt, an increased debt or increased mortgage problems.

COUNCIL MEMBER KALLOS: We received questions about private sector and the impact on specifically 401K providers and financial providers, have you seen a situation where folks are choosing you over the private sector or where there's been any impact on 401K providers and financial service providers who are doing this privately?

MICHAEL PARKER: Council Member Kallos, no, because we don't offer a 401K, we offer an IRA, it's a Roth IRA.

So, essentially, we are trying to capture part of the market that was essentially being underserved or not served at all.

So, we're not offering that 401K product where the employer will contribute. The employer here just facilitates the movement of the money for us and that section of the market was not being served and so, we're not seeing any competition there.

COUNCIL MEMBER KALLOS: What is the cost to the State of Oregon, and have you achieved self-sufficiency?

MICHAEL PARKER: We have achieved self-sufficiency. The state legislature loaned the program about $5 million over a period of four years. Over two biennia, after those and the two biennia is now up. We just started our new biennia on July 1st of this year, and we are self-sufficient, so we are paying our bills and we're not taking anymore money from the state.

COUNCIL MEMBER KALLOS: My last question is, we did have a representative from small businesses express concern about the administrative burden. In your experience, what's the administrative burden of enrolling employees in the auto IRA payroll deduction versus administering their own plan?

MICHAEL PARKER: Council Member, we're finding that once an employer — it takes maybe 45 minutes to an hour to get set up. To upload your employees and get the whole process set up for an employer. And then, every pay period, we're finding on average, as we survey our employers that are in the program, it's an extra 10 minutes or so, maybe a little less depending on what software they use to administer the program. And the one thing that the industry, so if you look at Oregon, California, Illinois, some of the other states that are looking at this. We are working directly right now with a number of payroll providers to really try to take the employer out of it.

So, not to get into technical details, because I'm not a technical person, but essentially, we want to create a direct connection between our provider, our program provider or administrator and the payroll providers that everybody services to the employers.

And have them just do the process like they would with any other payroll process. So, it takes the employer all the way out of it. We believe that will happen in the next couple of years. And so, in the meantime, we're working to try to illuminate any administrative, extra administrative burden that employers may have in a form of special templates and actual sit down with them and help them through the process.

So, we don't believe it's onerous at all. It's a matter of just you know, getting used to a new process. It takes about 10 minutes every pay period.

CHAIRPERSON MILLER: Thank you so much for joining us this afternoon. Thank you for sharing your experiences and I am sure we will be calling on you again in the future.

MICHAEL PARKER: I am happy to help. Thank you for the invitation and good luck with your program. I appreciate the opportunity.

CHAIRPERSON MILLER: Thank you. So, with that, we've heard all the panels, but I especially want to thank my colleague Kallos for not just the Introduction of 888 but the work that he's done over the past few years in bringing this legislation and to fruition. We're not there, we have some work to do but just based on the number of experts that have given their time and were here to testify today. I know that we are in good hands and that working families and those who are looking towards retirement, that there is a plan to assist them in that.

So, I once again, thank everybody for coming out and thank you for your testimony, those who participated in any shape, form or fashion to uplifting our retirement community. I thank you and this hearing is adjourned. [GAVEL]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.

Date April 1, 2018