

ICI Applauds Senate Vote to Restore Consumer Protections for Proposed Municipal-Run Retirement Plans

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Washington, DC, March 30, 2017—Investment Company Institute (ICI) President and CEO Paul Schott Stevens made the following statement applauding the US Senate passage of H.J.Res. 67, which will roll back a Department of Labor rule that would exempt city-run retirement savings programs for private-sector employees from the strong saver protections of ERISA. The House passed the legislation on February 15. Senator Orrin Hatch (R-UT) championed companion legislation (S.J.Res.33) in the Senate.

“We applaud the Senate for working to ensure that consumer protections established by the Employee Retirement Income Security Act of 1974 (ERISA) will apply to retirement plans established by municipalities for private-sector workers. We are hopeful that the Senate will continue working to maintain uniform rules for retirement plans by passing a similar resolution to protect workers in state-run plans. Both resolutions have already passed the House of Representatives.

“Workers who are automatically enrolled in any state- or city-run retirement program need the same bedrock investor protections that workers in private-sector plans have enjoyed for more than 40 years. The Department of Labor’s rules would limit these workers’ ability to address a host of issues, including unreasonable fees and malfeasance. These protections are especially important in light of ICI’s findings that proposed state and city plans rest on shaky economic foundations. Congress is right to eliminate these special carve-outs.

“In addition to reestablishing investor protections, the current Congress can improve America’s retirement system by advancing national solutions to expand plan coverage, such as open multiple employer plans (open MEPs) and Simpler Plans with less burdensome administrative requirements. We look forward to working with Congress on such measures.”

ICI sent letters to all senators urging support for [S.J.Res.33](#).
