

Improving Retirement Savings of Lower- and Moderate-Income Workers

Lisa Germano, Cynthia Van Bogaert, and Matthew Whitehorn

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Introductory Note: The Retirement Reform Group (“RRG”) and Today’s Presentation:

Today’s presenters are members of the Retirement Reform Group, but the views expressed are their own. The RRG is an informal discussion group of over 100 highly experienced employee benefits lawyers which has been exploring ways to address lagging lower- and moderate-income worker retirement savings. The members of the RRG hope to engage with the agencies in providing ideas for improvements, including Comments such as the PEP comments submitted in 2025 to EBSA.

Sampling of Ideas Under Discussion for Improving Retirement Savings:

1. Education/financial literacy
 - Just in time learning
 - Non-conflicted trusted sources of information
2. ERISA participant and IRA owner issues
 - Increase coverage and participation
 - Create incentives for lower-income participants
 - Avoid leakage prior to retirement
 - Ensure a lifetime income stream and understand rainy day emergency cushion
 - Know the differences between IRA vs QP in rollover decisions
 - Lack of fiduciary and other protection in IRA
 - Cost, higher fees in IRAs erode savings, etc.
 - Know and protect spousal rights
 - Avoid escheatment for IRAs that are held for retirement
 - Assist participants and owners in old age and infirmity
3. Small employer support issues - provide information and tools that can help them understand:
 - How to support lower- and moderate-income workers
 - The importance of plan design that helps workers save: automatic enrollment and other features, minimize leakage through cashout
 - How to find and negotiate the best deal for the employer and workers
 - How to use an independent fiduciary and the pitfalls of PEPs for small employers
4. Need more regulatory support of IRAs
5. Provide retirement savings to all American workers, not just the wealthy

Disclaimer: This presentation incorporates a variety of views of numerous individual members of the Retirement Reform Group, but not a consensus viewpoint. Thus, the views in this presentation are not generally attributable to the Retirement Reform Group itself or any particular member, or any other individuals or organizations.