



EXPANDING RETIREMENT SECURITY TO ALL WORKERS

Connecticut is facing a retirement crisis. The “three-legged stool” meant to provide retirement security (pension, savings, Social Security) is in disrepair. *Our leaders should form a study commission to find a way to offer an affordable, voluntary “Public Retirement Plan” to expand retirement security and boost the local economy.*

The Problem: Lack of Retirement Security

- **Connecticut residents do not have access to *quality* retirement plans.** According to the Employee Benefit Research Institute (EBRI), over the past 10 years, about 5% of Connecticut workers have been dropped from participating in any type of retirement plan. Social Security is the only source of income for one out of five older adults in Connecticut.
- **Workers without an employer-sponsored retirement plan are likely to be offered a 401(k)-type savings plan requiring them to bear great risks *and* pay high administrative fees.** According to the *Wall Street Journal* the median household income headed by a person aged 60 to 62 with a 401(k) account had less than one-quarter of what is needed to maintain their standard of living in retirement.
- **Lack of adequate retirement income for Connecticut’s seniors is a crisis in waiting.** When people retire without pensions, public assistance increases significantly. According to a study by the National Institute on Retirement Security (NIRS), public assistance to older Americans would increase by \$7.3 billion if retirees who are currently receiving pensions did not have them.

The Solution: The Public Retirement Plan

- **Connecticut residents deserve retirement security and want their public officials to do something about the crisis.** A NIRS poll, found that more than 80% of Americans believe all workers should have access to a pension plan so they can be independent and self-reliant in retirement.
- **The Public Retirement Plan is a baseline, portable tax qualified retirement plan that helps residents have the resources they need to retire.** Plan participants will have the benefit of the state’s investment board in managing assets and have the security of a defined-benefit annuity.
- **Providing a voluntary retirement system will be a plus to small businesses by reducing costs and offering additional incentives to attract good employees.** As Comptroller, now Lt. Gov. Nancy Wyman estimated that the state’s defined-contribution program had 50% lower administrative fees than what the average investor pays. The Public Retirement Plan would cut out the financial brokers who charge excessive administrative fees.