

1                   **JOINT RESOLUTION ON SMALL BUSINESS RETIREMENT**

2                                   **PLAN AVAILABILITY**

3   2015 GENERAL SESSION

4   STATE OF UTAH

5                           **Chief Sponsor: Todd Weiler**

6                                   House Sponsor: Jon Cox

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8   **LONG TITLE**

9   **General Description:**

10           This joint resolution of the Legislature urges Utah's workers and the business  
11 community to work with the Legislature to develop a model for providing small  
12 business retirement savings through the workplace.

13   **Highlighted Provisions:**

14           This resolution:

15           ▸ strongly urges Utah's workers and the business community to join with the  
16 Legislature to study and develop a model for saving for retirement through the small  
17 business workplace that is accessible to the workers of Utah and consider  
18 legislation, if needed, to put the plan into action.

19   **Special Clauses:**

20           None

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22   *Be it resolved by the Legislature of the state of Utah:*

23           WHEREAS, for millions of people facing the risk of running out of savings after they  
24 retire, a self-sufficient retirement is no longer a reality;

25           WHEREAS, more than 55 million American workers do not have a way to save for  
26 retirement at work, leaving them more likely to rely on Social Security as their only source of  
27 retirement income;

28           WHEREAS, the average annual Social Security benefit in Utah is \$15,100;

29           WHEREAS, more than 244,000 Utah residents received Social Security in 2012;

30 WHEREAS, census data shows that about 7%, or 19,924, of older Utahns are living in  
31 poverty, and without Social Security income, and an additional 35% of older Utahns, or 94,346  
32 people, would fall into poverty;

33 WHEREAS, Utah's low and middle income older adults are even more reliant on Social  
34 Security earned benefits, as they typically receive 72% of their family income from Social  
35 Security;

36 WHEREAS, taxpayers shoulder the added burden of ensuring that retirees have their  
37 basic needs met through safety net programs;

38 WHEREAS, Utahns' defined contribution account balances have remained stagnant  
39 since the Great Recession;

40 WHEREAS, according to the Employee Benefit Research Institute (EBRI), half of  
41 so-called "baby boomers" and "Generation X-ers" are at risk of financially insecure retirement;

42 WHEREAS, the nation and its working families face a vast retirement savings deficit,  
43 estimated to be as much as \$6.6 trillion, or about \$57,000 per household;

44 WHEREAS, the median retirement account balance is \$3,000 for all working-age  
45 households and \$12,000 for near-retirement households;

46 WHEREAS, polls show that 84% of Americans are concerned that current economic  
47 conditions are impacting their ability to achieve a secure retirement;

48 WHEREAS, in Utah, 52.6% of private sector workers have no access to a retirement  
49 plan, like a 401K, through their employer;

50 WHEREAS, nationally, only 14% of businesses with fewer than 100 employees offer  
51 their employees a retirement savings account or pension;

52 WHEREAS, removing barriers to access retirement savings vehicles for the more than  
53 525,000 Utahns with no way to save for retirement at work remains a great challenge;

54 WHEREAS, research shows that offering a person a way to save through their job  
55 dramatically increases their ability to save;

56 WHEREAS, an individual is over 15 times more likely to save for retirement if the  
57 employer offers a plan than if employees must find an Individual Retirement Account (IRA) on

58 their own;

59 WHEREAS, only 5% of people without access to a payroll deduction plan at work will,  
60 on their own, purchase an IRA;

61 WHEREAS, in 2011, EBRI found that 88% of respondents indicated that it was  
62 important to be able to have their own retirement savings plan contributions automatically  
63 deducted from their paychecks;

64 WHEREAS, 86.45% of businesses in the state have fewer than 20 employees, but the  
65 remaining businesses employ 76.3% of the population, or 970,269 Utahns;

66 WHEREAS, the vast majority of Americans will accept the responsibility to build a  
67 financially secure retirement;

68 WHEREAS, a secure retirement should be made achievable for everyone who works  
69 hard throughout their lives; and

70 WHEREAS, it is in the best interest of Utah's small business employees, Utah small  
71 businesses, and the state for action to be taken now to enable Utahns to prepare for their futures  
72 and allow them to be self-sufficient in retirement rather than depend on government services:

73 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah  
74 strongly urges Utah's small business employees and its small business community to join with  
75 the Legislature and the Utah treasurer to study and develop a model for saving for retirement  
76 through the workplace that is accessible to the workers of Utah and consider legislation, if  
77 needed, to put the plan into action.

78 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Utah  
79 Chapter of the American Federation of Labor and Congress of Industrial Organizations, the  
80 Utah Chamber of Commerce, the Utah Association of Independent Insurance Agents, the Utah  
81 Insurance Department, the Utah Small Business Development Center, the Utah Association of  
82 Certified Public Accountants, the American Association of Retired Persons, Utah Chapter, and  
83 the members of Utah's congressional delegation.