

News

Groom Principal Michael Kreps Provides Testimony at U.S. Senate Subcommittee Hearing to Address Retirement Security Challenges

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Groom Principal [Michael Kreps](#) testified before the U.S. Senate Finance Subcommittee on Social Security, Pensions, and Family Policy at the hearing “Investigating Challenges to American Retirement Security.” Kreps was joined by three other leaders in the retirement industry. His testimony focused on the importance of addressing the crisis facing certain multiemployer pension plans, providing more opportunities for people to save, and improving the Saver’s Credit to help working families. The hearing was held on Wednesday, December 9, 2020.

Pensions & Investments reported on the hearing and referenced a statement from Kreps during his testimony on the multiemployer pension crisis that there’s “simply no time left to lose as every day that ticks by the problem becomes more difficult and costly to fix.” When asked by Senator Sherrod Brown, D-Ohio, what Congress can do to reduce the number of missing participants and improve plan portability for workers who change jobs, *Pensions & Investments* also noted Kreps’ response that it would be helpful to encourage the use of automatic portability programs for 401(k) accounts upon employee termination and to pass a bipartisan bill that’s been introduced in the House and Senate that would create a national online lost-and-found database for retirement accounts.

In their reporting of the hearing, *PLANSPONSOR* also highlighted a portion of Kreps’ testimony, noting his emphasis on the importance of addressing the multiemployer pension funding crisis sooner rather than later. “We cannot ignore the fact that we are on the brink of over a million Americans losing their hard-earned pension benefits,” Kreps said. “Most multiemployer pension plans are secure, but some plans—including some very large plans—will become insolvent in the next few years. The federal pension insurance program administered by the Pension Benefit Guaranty Corporation [PBGC] only guarantees a fraction of many multiemployer pension plan participants’ benefits. Worse yet, PBGC projects that its multiemployer insurance program will be insolvent in 2026. When that happens, PBGC will only be able to pay pennies on the dollar, meaning participants and retirees in insolvent plans will see their benefits slashed to the bone.”

A video of the hearing is available [here](#).

The *Pensions & Investments* article is available [here](#).

The *PLANSPONSOR* article is available [here](#).