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AARP Praises Finalization of Rule on State-Based Private Sector Retirement Plans

New rule helps states expand coverage to 55 million Americans without workplace savings plans

WASHINGTON, DC — AARP praised the finalization of a rule by the U.S. Department of Labor (DOL) that confirms states can facilitate the creation of automatic enrollment retirement savings plans for use by small businesses. These public-private partnerships have the potential to help more than 55 million workers who lack access to a way to save for retirement automatically out of their regular paycheck.

“We applaud the White House and Labor Secretary Perez for their support of state legislative efforts to improve access to workplace retirement savings plans for millions of Americans who currently have no way to save for retirement at work,” says Nancy LeaMond, Executive Vice President of AARP’s Community, State and National Group.

AARP is pleased that the new rule addresses the importance of features such as payroll deduction and automatic enrollment. Without these options, plans are far less effective at helping people save their own money for retirement.

“We know that workers who have access to automatic enrollment plans are 15 times more likely to save for their future,” said LeaMond. “As a result of the new rule, states will be able to make available to tens of millions of Americans workplace savings vehicles that will help them save more for their retirement years.”

More than half of the states are considering ways to address economic insecurity in retirement. Four states have already enacted legislation creating Work and Save plans that would be impacted by this rule: Illinois, Oregon, Connecticut, and Maryland. Legislation in California is also anticipated in 2016.

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About AARP

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

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