

Preserve Rights of States and Political Subdivisions to Encourage Retirement Savings (PROSPERS) Act

Summary

Working families across the country deserve to retire with security and dignity. But that's not a reality for millions of Americans; Americans who already struggle to make ends meet. There are 40 million private sector workers who do not have access to retirement savings plans at their jobs.

Representative Bonamici and Representative Crowley introduced the Preserve Rights of States and Political Subdivisions to Encourage Retirement Savings (PROSPERS) Act to make permanent two regulations issued by the Department of Labor (DOL) that clarified existing safe harbors allowing states and qualified political subdivisions (municipalities) to establish retirement programs for workers in the private sector.

Several states – including Oregon, California, Connecticut, Maryland, and Illinois - have developed innovative solutions that will help all workers save for their retirement. New York City and other municipalities have expressed interest in developing plans, as well. These innovative solutions are lessening the burden on small businesses that want to give their employees more options to save for retirement.

In 2016, the DOL published two final rules that would make it easier for states and qualified political subdivisions to establish state-sponsored retirement savings programs and provide guidance for those already in existence. The DOL regulations were nullified by two Republican Resolutions of Disapproval signed into law by President Trump, H.J.Res. 66 and H.J.Res. 67, creating more barriers for working families who want to save for retirement.

The PROSPERS Act clarifies that states and localities can implement voluntary retirement savings plans while still complying with federal law. The legislation would also provide the Department of Labor the ability to overcome the barriers of a Congressional Review Act that prohibits an agency from issuing regulations that are substantially similar to ones that have been repealed through resolutions of disapproval.