

January 21, 2026

The Honorable Tim Walberg, Chair
The Honorable Robert C. “Bobby” Scott, Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
Washington DC 20515

Dear Chairman Walberg and Ranking Member Scott:

The following statement is submitted on behalf of the Pension Rights Center (PRC) for the record for the Committee’s hearing on “Modernizing Retirement Policy for Today’s Workforce,” held on January 7, 2026. The PRC is a national nonprofit, nonpartisan consumer organization that works to protect and promote the retirement security of workers, retirees and their families. For almost fifty years, it has helped individuals receive and retain the retirement benefits they have earned, educated them about their right to these benefits, and worked to improve our nation’s patchwork delivery system of retirement income for private sector workers. We appreciate the January 7th hearing’s focus on how employers can best assist workers in drawing down their retirement balances from defined contribution individual account plans, such as 401(k) plans. We strongly support the statement provided by Dr. Nari Rhee, Director, Retirement Security Program, Center for Labor Research and Education, University of California, Berkeley. We also attach, for the Committee’s review, our statement on Lifetime Income provided to the U.S. Department of Labor’s ERISA Advisory Council in 2024, which discusses the importance of lifetime income for many retirees while noting the array of challenging issues policymakers face to devise effective structures to deliver such income in appropriate situations.

With respect to employee drawdowns or decumulations of individual deferred income savings, PRC’s fundamental policy principles, against which any legislative proposal should be measured, are as follows:

- The terms “annuity,” “lifetime income product,” and decumulation options, etc., encompass a wide range of products and income delivery strategies, with strikingly different features, costs and risks. Most participants are ill-equipped by training or experience to evaluate these complex products. Thus, it is critical that plan fiduciaries carefully evaluate such options, including the utility of the particular features of a lifetime income option, the reasonableness of any fees and other expenses associated with a given option, and the financial soundness of any associated insurer.

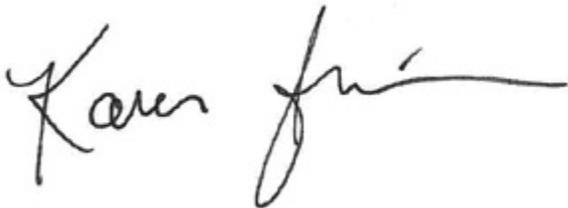
We do not advocate adoption of new safe harbors that negate a fiduciary’s duty of the prudent selection of lifetime income options beyond what is already included in ERISA. The fiduciary’s careful exercise of its duty of prudence is especially significant when a plan considers complicated annuity products, such as fixed-

indexed annuities, which due to their complexity and high fees are not generally suitable for most participants.

- Workers should always be offered, with sufficient time for full consideration, several clearly understandable methods to decumulate their deferred income. There are dozens of types of insurance annuities, most are very complicated to understand, annuity fees are substantially higher than other decumulation methods, and one type is unlikely to meet the savings and decumulation needs of all participants. Because different participants can have very different needs and preferences, we generally would oppose including a lifetime income option as part of a Qualified Default Investment Alternative. Further, the U.S. Department of Labor should propose possible simple model annuities marked by rigorous participant protections, e.g. the avoidance of unnecessary costs and risks.
- Employers must provide clear understandable disclosures of each option at least 60 days in advance of any participant making a decision and posting such disclosures on a website is important but not sufficient. Disclosures should be standardized and provide “apples-to-apples” comparisons of decumulation options.
- Congress and other stakeholders should more fully study the many ways that retirement savings plan participants may best draw down their retirement savings.

Thank you for considering these views. Please contact us for any additional information and assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Friedman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Karen Friedman
Executive Director