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April 9, 2024

Michigan House of  
Representatives Mike McFall  
P.O. Box 30014  
Lansing, MI 48909-7514

RE: House Bill 5461

Dear Representative McFall:

I am writing on behalf of TIAA, a leading provider of secure retirements that manages more than \$1.2 trillion in assets for more than for 5 million clients. We were founded more than 100 years ago, have paid more than \$500 billion in lifetime income to our retired clients, and believe that all Americans deserve a well-structured, reasonably priced retirement plan. That's why we support the Michigan Retirement Savings Program Act.

TIAA was created to provide retirement solutions for a group of people – educators – who otherwise wouldn't have the opportunity to retire without facing serious hardship and poverty. We are proud of our engagement with University of Michigan, Michigan State University, and the majority of other higher education institutions in the state, where we provide all employees, not just educators, with a retirement plan that allows them to save but also provides them an option to convert their savings into a paycheck in retirement. Today, we manage more than \$32 billion in retirement assets for more than 144,000 Michiganders.

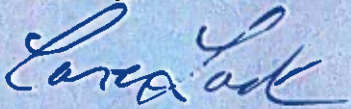
Unfortunately, almost half of all private sector workers do not have access to a workplace retirement saving program today. TIAA recently released a "Retirement Bill of Rights" that starts with the basic principle that every American worker has the right to save for a financially secure retirement. The Retirement Bill of Rights is designed to address the retirement insecurity which affects millions of Americans, including the 40% of U.S. households that risk running short of money in retirement. In Michigan alone, there are approximately 1,563,000 employees (42% of private sector employees) who work for an employer that doesn't offer a retirement savings plan.\*

The program outlined in this legislation is well-designed, incorporates industry best practices, such as including automatic employee enrollment with the opportunity for opt-out, a default contribution rate set by the Board, automatic escalation, and a focus on long-term outlook. We also strongly believe that participants should be provided an opportunity to convert those savings into guaranteed lifetime income in retirement. This would allow participants with a pathway to turn their savings into a paycheck for life.

TIAA has engaged with state officials from across the country on these important retirement initiatives and has offered input on how to design best-in-class retirement plans. We applaud states, like Michigan, that are looking at ways to help close the retirement savings gap, and support the consideration and passage of HB 5461, which creates the Retirement Savings Program Act. This bill would help thousands of Michigan workers look forward to a financially secure retirement.

For the above reasons, we strongly encourage passage of Michigan HB 5461. I am available to answer any questions.

Sincerely,

A handwritten signature in blue ink that reads "Caren Lock". The signature is written in a cursive style with a large initial "C".

Caren Lock

\*AARP Michigan Profile 2022

cc: Governor Gretchen Whitmer  
Lt. Governor Garlin Gilchrist II