



NEWS RELEASE

For Immediate Release

September 20, 2019

TREASURER TORSELLA, SENATOR HAYWOOD, REPRESENTATIVE DRISCOLL MEET WITH LOCAL BUSINESS OWNER TO DISCUSS PROPOSED KEYSTONE SAVES AUTO-IRA PROGRAM

Program would give more than 2 million Pennsylvanians access to retirement plans through employers

Philadelphia, PA –Pennsylvania Treasurer Joe Torsella, Senator Art Haywood and Representative Mike Driscoll today met with Nancy Morozin, owner of the Dining Car in Philadelphia, to discuss the proposed Keystone Saves auto-IRA program.

“We are at a crisis point in retirement security across the nation—but particularly here in Pennsylvania,” said Torsella. “Business owners’ willingness to meet and discuss the need for this tool demonstrates their desire to help employees save. Keystone Saves will give employees an easy and inexpensive way to save for the dignified retirement they deserve, while employers gain another benefit to offer workers by simply administering a payroll deduction.”

More than two million working Pennsylvanians currently lack access to workplace-sponsored retirement plans. The proposed Keystone Saves legislation would enact a state-administered auto-IRA program, giving employers the ability to offer retirement savings options for their workers—something that can otherwise seem impossible to do because of cost and complexity of plans. The state-administered fund would be a fiduciary trust fund for employees, not funds that can that could be accessed by state government, and would be managed by a private sector vendor chosen through a bid process, much like the PA 529 Investment Plan.

“As former Democratic Chair of the Aging and Youth Committee and as a member of the Finance Committee, I saw the challenges that hardworking individuals face when they have limited retirement savings. There are more than 2.1 million Pennsylvanians who do not have access to a workplace retirement savings plan,” Haywood said. “In the state legislature, we are working together on a solution.”

“Retirement security is a serious issue for the state, with a very large number of residents beginning to retire without the savings needed to meet their expenses,” Driscoll said. “Ignoring this will have devastating effects on both future retirees and the financial well-being of the state

as a whole. I remain focused on making sure that every Pennsylvanian has the opportunity to save for a secure retirement and applaud Treasurer Torsella for doing the same.”

Nationwide, [1 in 3 Americans](#) have \$0 saved for retirement. [Evidence](#) shows that automatic deductions are paramount to saving, and those with access to retirement savings tools at work are 15 times more likely to do so. The Keystone Saves auto-IRA program will be designed to auto-enroll employees at default contribution rates, while also giving them the option to opt out. The lack of retirement savings plans through employers is a widespread issue in the hospitality industry. Pew researchers discovered only 26% of the industry’s employees have access to workplace retirement plans.

State-run auto-IRA plans are currently in place or underway in six states, including California, Connecticut, Illinois, Maryland, New Jersey and Oregon.

A Treasury commissioned [study](#) concluded that insufficient retirement preparedness will cost the Commonwealth an extra \$14.3 billion in assistance costs over 15 years, and have an overall negative impact of nearly \$16 billion during that same time period.

The Treasury Department’s Private Sector Retirement Security Task Force delivered its final [report](#) in March, with final recommendations that included the establishment of a state-run auto-IRA program.

For more details about the Pennsylvania Treasury Department’s position on the retirement security crisis please read [Treasury Notes](#).

For updates on this issue and all department news, follow us on [Facebook](#) and [Twitter](#).

Media contact:

Ashley Matthews, Treasury, 717-787-2991 or amatthews@patreasury.gov

###

PENNSYLVANIA TREASURY DEPARTMENT
JOE TORSELLA, STATE TREASURER

www.patreasury.gov | [Facebook](#) | [Twitter](#)

The Pennsylvania Treasury is an independent department of state government led by the state treasurer, who is elected every four years. The department's primary duty is to safeguard and manage the state's public funds. It invests state money to generate income on behalf of the citizens of Pennsylvania, reviews and processes payments for state government custodian of more than \$100 billion in state funds. Key Treasury programs include Unclaimed Property, PA 529 College Savings Program and the Board of Finance and Revenue. To learn more visit patreasury.gov.