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**Tri-Partisan Effort to Boost Retirement Savings Launched in Vermont**

Montpelier – Recognition that half of today’s workforce is not covered by any retirement savings plan has prompted a proposal by a tri-partisan group of Vermont legislators and the State Treasurer to provide for a statewide voluntary retirement savings program. The proposal would leverage the resources and expertise of Vermont’s state level retirement plans to assist small businesses in providing a 401(K)-type retirement savings plan for their employees.

Introducing the Vermont Voluntary Retirement Savings Program, State Treasurer Jeb Spaulding explained, “We know that a large percentage of Vermonters are not currently saving for retirement and that taxpayers will bear the ultimate responsibility for seniors with insufficient savings. We also know people are more likely to save if a simple retirement plan is available at work and that by providing a simple, inexpensive, high-quality, and safe retirement plan option for small employers and self-employed Vermonters, we can increase critical savings for retirement.”

Legislative members of three political parties (Democrat, Republican, and Progressive) expect to sponsor enabling legislation next year and will spend the summer and fall working with citizens, legislators, and business partners to promote the concept.

According to Representative Donna Sweaney, D-Windsor, four states – Washington, Maryland, Michigan, and Vermont – are actively moving to create voluntary retirement savings programs and several others have expressed interest in the concept, which was developed and promoted by former U.S. Treasury official Mark Iwry, currently at the Brookings Institution in Washington, DC. “We will be devoting a major portion of an upcoming New England Women Legislators Symposium to this subject,” Rep. Sweaney stated.

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The Vermont proposal calls for the creation of a voluntary retirement savings program as an option for employers and employees, and self-employed Vermonters, sponsored by the state, and at no cost to the taxpayers. The program would take advantage of economies of scale by piggybacking on the State's existing retirement plans to offer businesses the option of providing a 401(K)-type retirement plan for their employees. Administrative costs will be covered in the fee for plan participants.

“This collaborative effort will bring the resources of the State Treasurer’s Office, legislative leaders, and the private sector to bear on a major issue facing Vermonters – the lack of adequate savings to meet future retirement needs, especially as the baby-boomers begin to leave the work force. Many of Vermont’s small businesses want to provide retirement plans for their workers, but are unable to do so because of cost and administrative barriers. This plan provides a straightforward voluntary approach to assist these businesses,” said Senator Diane Snelling, R-Chittenden.

“People are living longer and not saving enough. This public/private partnership can be a win-win-win proposition: Vermonters will have more savings and a better quality of life at retirement, businesses will be able to attract and retain employees with enhanced benefits at little or no cost, and state government will avoid some future liabilities for those with inadequate retirement savings,” stated Sarah Edwards, P-Brattleboro.

According to Senator Susan Bartlett, D-Lamoille, Chair of the Senate Appropriations Committee, women have distinct retirement challenges that would benefit from the Vermont Voluntary Retirement Savings Program. “An alarming number of older women face the reality of moving from the middle class to poverty when their spouse dies. Since women live longer, often interrupt their careers to raise children or care for aging parents, and are paid less than men, they often end up with inadequate retirement savings. Making it easier for them to save would be very helpful,” she explained.

Iwry, who serves as Senior Adviser to the Retirement Security Project at Brookings, said of the Vermont proposal, “Leveraging their resources and bargaining power, states can assist small businesses in pooling their efforts to help employees save. Vermont can act as a powerful catalyst, partnering with the private sector to expand private pension coverage.”

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