

**Retirement Security Task Force
Meeting minutes from June 21
AARP Offices - Cheyenne**

[Agenda](#)

Members present:

Senator Jim Anderson
Rep. Mark Kinner
Rep Dan Furphy (alt)
Frank Boley
Ashley Bright
John Cox
Polly Scott
Sam Shumway
Jay Schneider
Tony Glover
Lisa Spillman

Public present

Summer Wasson
Tom Lacock
Anne Alexander, PhD
Franz Fuchs

At 10 a.m. the meeting began with introductions of the task force members and an overview of the duties being requested of the task force through the legislative mandate with the discussion led by Senator Jim Anderson.

Tony Glover of the Wyoming Department of Workforce Services said DWS' Research and Planning group has conducted an employer survey since 1996 asking which Wyoming companies offer access to benefits for the employees. That involves access to healthcare, as well as retirement options for workers. It is broken down by size of the employer, with a strong tendency to see larger companies be more likely to offer retirement to their employees. Meanwhile, just 18 percent of smaller firms, such as those with between one and four full time employees currently offer a retirement plan to employees. DWS ran the inverse of these numbers for the Task Force and found 98,066 or 36 percent of jobs in Wyoming's private sector are with employers that do not offer a retirement plan. Several Task Force members requested that DWS also provide information about people in private sector jobs offered retirement plans, but not contributing to the retirement plan. It was also discussed that it would be informative to add average earnings to the data. DWS agreed to follow-up with this data. [To see Glover's numbers in total, click here.](#)

The conversation then moved to the concept of an automatic opt-in retirement plan with members of the committee suggesting their private and public retirement experience with auto-enroll retirement products having been positive. Polly Scott suggested the state is now an opt-out for its 457(b) product and has a roughly 94 percent adoption statewide. Anderson said during his time at Wyoming Machinery the company moved from an opt-in to an opt-out retirement plan and saw their participation jump from around 50, to nearly 90 percent.

Polly Scott, of the Wyoming State Retirement System, then offered a [presentation](#) discussing other statistics related to retirement, suggesting Wyoming is one of 40 other states studying the issue of retirement savings. She said the average benefit paid by Social Security is around \$1,400 per month and nationally, social security is at least half of the total income for 60 percent of recipients. Meanwhile, 45 percent of all households have no assets devoted to retirement. During a discussion on societal factors that exacerbate retirement security, several Task Force members requested more detail on states that have financial literacy programs and the outcomes.

Scott pointed out there are models evolving around the country for improving retirement savings options, including auto-IRA, Multi-Employer Plans, and an online Marketplace. The committee then watched a video illustrating the work of Oregon Saves, the auto-IRA program in Oregon. Scott said Maryland has recently made it mandatory for employers to offer an opt-out retirement plan, but did so without adding penalties to businesses who didn't do it.

Franz Fuchs, Policy Analyst with Wyoming Department of Health, [presented to the Task Force regarding](#) retirement security and its impact on Long Term Care. He pointed out the state is the largest payer of long term care services in the state and depending on policies pursued, the state's cost of long-term care will rise from \$65 million per year (\$130 million total when combined with the 50 percent match of the federal government) to over \$150 million per year (\$312 million per year total).

Fuchs pointed out that nursing home care services cost considerably more than home and community based healthcare, while most prefer to age in their homes rather than move to a facility. He offered the figure of \$4,368 for year-round care at a Long Term Care center versus \$1,685 for home-based care. He added that growth in Wyoming's population is coming from those 64 and over, with the percent population of Wyoming's 65 and over population growing from 15.5 percent in 2018 to 20.7 percent by 2030.

Fuchs also offered concerning numbers regarding retirement security, pointing out a Government Accountability Office study suggesting 41 percent of Americans have nothing saved for retirement. Meanwhile, the median total retirement savings is \$104,000. With private long-term care costs running around \$88,505 per year, he points out that even the median amount of retirement savings isn't much to live on long-term and half of those who reach the age of 65 can expect to use long-term healthcare in their lifetime.

He pointed out that retirement security figures prominently in the Long Term Care discussion as it impacts those before they qualify for Medicaid and state dollars for Long Term Care.

Anne Alexander, PhD. from the University of Wyoming offered [research](#) pointing out Wyoming currently has around 87,000 persons of retirement age, a number that is projected to jump to 151,000 by 2028. The current national retirement gap is between \$360,000 and \$540,000. If that same gap exists in Wyoming, there are significant financial problems on the horizon for the state.

She went on to tell the committee that the Wyoming Benefits Survey of 2016 shows take-up rates (the rate at which those offered retirement plans through work, do) was 85 percent for small employers to very low for medium and larger employers - a range from 45-65 percent. Currently, defined contribution (401K types) out-pace defined benefit (pension) by a nearly 10:1 rate.

Alexander went on to say estimated program costs for Wyoming - rough estimates of selected social safety net programs such as SNAP, low-income heating assistance, Medicaid Waivers, and SSI, cost

around \$180 million per year. That cost is share by the state and the federal governments. If Wyomingites in the lowest two quintiles of income could save just \$1000 more per year towards retirement, it would save the state around \$18 million per year on these programs.

After lunch, the Task Force held a short election for the naming of a Task Force Chair and Vice Chair, elected Senator Jim Anderson as the committee's chair and Frank Boley as its Vice-Chair.

Glover then discussed plans to [distribute a statistically representative sample](#) from the 5,000 employers that stated they did not offer retirement benefits in previous surveys. The goal is for the survey information to be reported in the Task Force's report and provide an understanding for why those businesses are not offering retirement options through work to their employees. The survey will go out around June 26, then a second mailing will go to those who have not responded to the survey. Phone calls will then be placed to those who have not responded to either mailer between Aug. 6-10. Glover said DWS generally gets a response rate of around 80 percent.

Representative Kinner made a motion, seconded by Frank Boley, to approve the survey pending implementation of the refinements discussed. The motion passed unanimously. The survey will be looked over by Sam Shumway, Polly Scott, and Tony Glover for wording before it is sent to the committee as a whole to approve ahead of the June 26 send.

The group ended the meeting by naming times and locations for its future meeting, including:

- August 13 at AARP Wyoming offices in Cheyenne, where it will invite experts in several areas of retirement savings to present;
- Sept. 11 in Casper at the Financial Literacy Center;
- October 19 in Laramie with a location to be determined.

The meeting officially adjourned at 1:41 p.m.
