



Statement for the Record

**Submitted by
Gusto**

**Open Executive Session to Consider
The Enhancing American Retirement Now (EARN) Act**

U.S. Senate Committee on Finance

June 22, 2022

Dear Chairman Wyden and Ranking Member Crapo,

Gusto applauds you and Members of the Senate Committee on Finance (the “Committee”) for your excellent work on the bipartisan *Enhancing American Retirement Now (EARN) Act*, which the Committee is expected to consider on June 22, 2022. The legislation aims to address the retirement savings gap in our country, including the challenges faced by small businesses.

[Gusto](#) is an innovative people platform that provides payroll, human resources, and benefits to over 250,000 small- and medium-sized businesses in all 50 states across all industries. Gusto offers 401(k) solutions to small businesses through several partners integrated into our platform.

As you are keenly aware, small businesses are facing a unique set of constraints as our nation moves beyond the COVID-19 pandemic to an economy coping with a series of fiscal and labor challenges. These economic challenges have the potential to exacerbate small businesses’ struggles to offer retirement benefits to their employees due to cost – which puts them at a significant disadvantage with larger employers. However, with the consideration of the EARN Act by the Committee and S. 4353, the Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg (RISE & SHINE) Act, by the Senate Committee on Health, Education, Labor and Pensions, as well as the passage of H.R. 2954, the Securing a Strong Retirement Act of 2022 (commonly referred to as “SECURE 2.0”) by the House of Representatives, Congress has the opportunity to level the playing field and boost the ability for small businesses to provide retirement benefits.

We commend you for including tax proposals in the EARN Act that incentivize small businesses to:

- Meet safe harbor requirements,
- Start-up a retirement plan (including a multiple employer plan),
- Adopt an automatic portability arrangement, and
- Adopt a re-enrollment feature in a retirement plan.



We also support the EARN Act making important enhancements to the Saver's Credit, including making it refundable. These changes would make a meaningful difference to lower-income workers and their ability to save for retirement.

Gusto is committed to serving small business owners and their employees by empowering them to achieve financial wellness through offering retirement products that meet their needs. We urge the Committee to pass the EARN Act and continue to build upon these small business tax incentives, as it will be a catalyst for small business retirement plan creation and a boon to worker economic security.

Gusto appreciates the opportunity to submit this letter of support for the record and we look forward to working with you and your staffs on the enactment of this important legislation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Abbott", with a long horizontal flourish extending to the right.

Steve Abbott
Policy Lead
Gusto