ASCENSUS.

CLOSING THE RETIREMENT COVERAGE GAP

Nearly 83 million Americans lack workplace retirement savings coverage—including independent and gig workers and employees who lack coverage under an employer sponsored retirement plan—leaving half the U.S. workforce without a clear path to financial security.[1] Establishing national IRA standards with automatic enrollment features can meaningfully close this significant retirement coverage gap.

PROPOSAL

Create national standards for employer facilitated automatic IRA arrangements for both independent workers and employees.

Proposed National Standards for Auto IRAs

All of the following provisions apply to individuals 18 and older and are based on a 6% default contribution rate, generally directed to a Roth IRA (traditional IRA when required).

- Companies engaging 5 or more independent workers will facilitate automatic enrollment for those who work at least 3 months.
- Employers with 5 or more employees with no retirement plan will facilitate automatic enrollment.
- Employers with a retirement plan that exclude certain employees will facilitate automatic enrollment for those employees.
- Companies and employers will annually re-enroll independent workers and employees who have previously opted out.

RATIONALE

Addresses a Growing Coverage Gap

- Almost half of U.S. private-sector workers—about 59 million people—lack access to a retirement plan at work.[1]
- Approximately 72% of employees save for retirement, compared with only 56% of independent workers.[2]
- Approximately 23.4 million U.S. workers rely on alternative work arrangements as their primary source of employment.[3]

Increases Participation Rates

- Automatic enrollment provides a 71% improvement in participation rates over standard opt-in programs[4]

Builds on Existing Frameworks

- Leverages existing public/private-sector infrastructure rather than building a costly new government program.

Empowers Workers

- Participation is voluntary as workers can opt out or adjust contribution amounts at any time.

Supports Companies and Employers

- Companies and employers can easily participate, incurring no or minimal cost and can do so without assuming the fiduciary liability associated with sponsored plans.

Protects Taxpayers

- Helps address a projected $334 billion retirement-related state budget gap over the next 20 years.[5]

[1] Angela M. Antonelli. *Who Lacks Access to Retirement Savings? A State-Level Analysis and an Examination of the Potential Benefits of State-Facilitated Retirement Savings Programs*, Policy Report no. 25-01 (Washington, DC: Center for Retirement Initiatives, Georgetown University, March 2025), https://cri.georgetown.edu/wp-content/uploads/2025/03/Who-Lacks-Access-to-Retirement-Savings.pdf

[2] Ted Godbout. "Nearly Half of Gig Workers Feel Financially Ready for Retirement." National Association of Plan Advisors. March 27, 2019. Accessed December 9 ,2025. https://www.napa-net.org/news/2019/3/nearly-half-gig-workers-feel-financially-ready-retirement/

[3] U.S. Bureau of Labor Statistics. "Contingent and Alternative Employment Arrangements—July 2023." Economic News Release, November 8, 2024. https://www.bls.gov/news.release/pdf/conemp.pdf

[4] Ascensus Recordkeeping Data (December 2025).

[5] John Scott and Andrew Blevins, "States Face $334.3 Billion Shortfall Over 20 Years Due to Insufficient Retirement Savings," The Pew Charitable Trusts, June 1, 2023, https://www.pew.org/en/research-and-analysis/articles/2023/06/01/states-face-334-billion-shortfall-over-20-years-due-to-insufficient-retirement-savings

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