Principles for a New Retirement System

**Universal Coverage.** Every worker should be covered by a retirement plan. A new retirement system that supplements Social Security should include all workers unless they are in plans that provide equally secure and adequate benefits.

**Secure Retirement.** Retirement shouldn’t be a gamble. Workers should be able to count on a steady lifetime stream of retirement income to supplement Social Security.

**Adequate Income.** Everyone should be able to have an adequate retirement income after a lifetime of work. The average worker should have sufficient income, together with Social Security, to maintain a reasonable standard of living in retirement.

***

**Shared Responsibility.** Retirement should be the shared responsibility of employers, employees and the government.

**Required Contributions.** Employers and employees should be required to contribute a specified percentage of pay, and the government should subsidize the contributions of lower-income workers.

**Pooled Assets.** Contributions to the system should be pooled and professionally managed to minimize costs and financial risks.

**Payouts Only at Retirement.** No withdrawals or loans should be permitted before retirement, except for permanent disability.

**Lifetime Payouts.** Benefits should be paid out over the lifetime of retirees and any surviving spouses, domestic partners, and former spouses.

**Portable Benefits.** Benefits should be portable when workers change jobs.

**Voluntary Savings.** Additional voluntary contributions should be permitted, with reasonable limits for tax-favored contributions.

**Efficient and Transparent Administration.** The system should be administered by a governmental agency or by private, non-profit institutions that are efficient, transparent, and governed by boards of trustees that include employer, employee, and retiree representatives.

**Effective Oversight.** Oversight of the new system should be by a single government regulator dedicated solely to promoting retirement security.