

Secure Retirement: Comments from Wisconsin U.S. Senate Candidates

Prepared by Protect Our Wisconsin Retirement Security (POWRS)

May 2022

Wisconsin – and the nation – is facing a retirement security crisis. Many people will have inadequate income for a secure retirement. Many will only have Social Security to live on. Many will not be able to “retire” at all. Over 400,000 seniors in Wisconsin will be living in poverty by 2030. Wisconsin will need to spend an additional \$3.5 billion on public assistance programs.

These problems are not self-correcting and won't be fixed by free market “solutions.” Government must encourage better retirement options. Businesses must help and individuals must save more. People will need wise financial guidance to successfully manage their future retirements.

To better inform Wisconsin voters POWRS surveyed all the U.S. Senate candidates on retirement, Social Security and Medicare issues. We only received responses from four of the Democratic party candidates. Below are the *unedited* responses from those candidates.

Candidate responses to each question are listed in alphabetic order.

#1 What would you consider to be the SINGLE most important issue facing Congress?

Mandela Barnes: “For far too long, too many politicians have operated as if the rules don’t apply to them. Our first priority must be to restore accountability in government to ensure our leaders are working to serve the interests of working families and the middle class – not special interests and big corporations who try to buy political influence. That’s why the first policy plan I released was an accountability agenda that included passing the John Lewis Voting Rights Act and getting big money out of politics to restore the power back in the hands of working people.”

Sarah Godlewski: “Democracy and voting rights. If we don’t stop the systematic attacks on voting rights and access to the ballot box, get money out of politics, and put an end to partisan gerrymandering, we as Americans will lose our voice. We can’t even begin to address other important issues like workers’ rights, retirement security, health care, and ensuring economic security unless we stop these attacks aimed at undermining our democracy first.”

Alex Lasry: “Ensuring that hard working Americans have access to family-sustaining, good jobs wherever they live in Wisconsin. In order to ensure workers have a seat at the table to have a voice in their retirement plans, work safety protocols, and fair wages, we need to do a better job of encouraging, bolstering, and empowering unions.”

Tom Nelson: “Without a doubt, the single most important issue facing Congress is how to protect our workers. The way that we respond to this determines the outcome of nearly every single other issue. That is why it has been a cornerstone of my campaign and my public service.”

“America’s workers are the backbone of our society and economy, yet they are constantly overlooked and mistreated as just another business expense. There is no reason that any worker should go without a livable wage or safe working conditions. Despite this, millions of people work every hour of their adult lives just to pay for rent, health care, or save for retirement. To protect workers, we need to pass initiatives like the PRO Act to ensure every worker has access to a union, Medicare for All to achieve universal health care pre- and post-retirement, and bold tax reform on the rich in order to expand Social Security and other vital public safety nets.”

“I am proud to have the endorsement of numerous labor unions and local labor leaders. Whether it is my experience in 2017 helping to save hundreds of jobs at a paper mill, or picketing with striking workers to help secure fair wage and benefits, my demonstrated dedication to the labor movement has earned me the trust of workers.”

#2 What can we do to create a more stable, secure retirement system, with adequate income, for ALL workers (including self-employed, “gig” workers, and employees of small

businesses)

Mandela Barnes: “First, we need to raise the minimum wage to \$15 an hour so that workers can keep more of what they earn. We must also expand options for self-employed, freelance, and gig workers and for employees of small businesses to access individual retirement accounts. This can be through creating federal or state-based individual retirement accounts with automatic enrollment. We must also make it easier for workers to form or join a union so they can better bargain for retirement benefits and security.”

Sarah Godlewski: As U.S. Senator, I would support legislation that encourages MEPs and defined benefit pension plans over defined contribution plans like Roth IRAs and 401(k)s.

“I would also support legislation such as Senator Ron Wyden’s Retirement Parity for Student Loans Act, which would allow employers to make “matching” contributions to a 401(k) retirement plan while their employees make student loan repayments. Under this proposal, recent graduates who cannot afford to save money above their student loan repayments would no longer have to forego the employer match.”

“As State Treasurer, and the Chair of the Governor’s Retirement Security Task Force, I’ve been a national leader on this issue, and I understand what is needed. Wisconsin faces a major retirement crisis, and we must take urgent steps to strengthen the federal retirement safety net that workers have earned and ensure retirees’ pensions are protected--they paid into these programs and we need to make sure they get their benefits. The Governor’s Retirement Security Task Force proposed cost-effective, bipartisan, and innovative solutions to invest early in our kids and workers to begin retirement wealth-building before it's too late.”

“Under my leadership, those proposals included:

- WisconsinSaves is a simple, plug-and-play auto-IRA enrollment program for Wisconsin businesses of all sizes, which would utilize best practices to extend access to retirement savings to nearly one million Wisconsinites who do not currently have access. It would provide an easy, affordable solution to expand retirement access for small businesses, gig workers, and the self-employed will address key barriers and empower Wisconsinites to achieve retirement security. Employers would have the choice of either adding their own retirement plan, joining with other employers in a multiemployer plan (MEP), or participating in the state-facilitated program - WisconsinSaves. There would be no employer fees, contributions, or fiduciary responsibility. Because the WisconsinSaves retirement would be portable, it would help to ensure that all workers are much more likely to not only start saving but to keep savings over time uninterrupted to accumulate assets and build retirement income. WisconsinSaves would auto-enroll workers, but the workers can choose to opt-out of saving at any time.

- Emergency Savings structure that ensures Wisconsin workers have rainy day funds and don’t need to tap into retirement savings when the unexpected happens. This would serve as the first-of-its-kind emergency savings feature in the design of the new auto-IRA retirement savings program. When workers automatically enroll in the state-facilitated auto-IRA, they would also enroll in the emergency savings fund. The emergency savings fund would be structured so that the first contributions, amount to be determined, would be put into an emergency savings vehicle and invested in a cash or a cash-like investment option with each additional dollar defaulting into an age-based index target-date fund or investment of their choosing. Participants would be able to access these emergency savings quickly, easily, and without penalty.

- Incentivize Participation in Workplace Plans to encourage Wisconsin employers who currently offer retirement plans for employees to utilize auto-enrollment to maximize participation.

- 401(K)ids sets our future generations up for success by providing every child born in Wisconsin with a target-date investment account to build long-term wealth and provide meaningful financial education. Nearly 60,000 kids born each year would access the benefits of compound interest and a life-long savings tool they could use to build wealth, buy their first home, pay for education, and save for retirement.

- Interactive E-Commerce Portal would serve as a centralized, trusted source of information for retirement savings and other financial needs.”

“I believe we can bring these solutions at the federal level. In the Senate, I will work across the aisle to build retirement security and prioritize fixes to Social Security to help ensure that every Wisconsinite can retire with peace of mind after a lifetime of work.”

Alex Lasry: “We need to simplify and consolidate federal laws to make it easier for all Americans to save for retirement. We should build in additional incentives for all employers to not only offer plans but to help fund those programs with

employer contributions. We need to ensure that all employers will benefit from being part of these programs and that all employees, no matter what their job status, have access to these programs.”

Tom Nelson: “The reality that over 400,000 seniors will be living in poverty by 2030 is simply unacceptable. Nobody should work all their lives just to be abandoned once they retire. There are two major ways we can and must create a stable, secure retirement system. First, implement a version of the Wisconsin Retirement System and Savings Program for private employees. I applaud the work of POWRS to push Governor Evers to make this initiative a priority. Defined benefit pension plans are the best way to ensure workers retire with dignity and security. Clearly, the Wisconsin Retirement System has worked for the public sector and should be extended to private employees, self-employed, gig workers, and those in small businesses. Pooling assets, making market forces work for us, and creating good beneficiary-focused management is how we ensure Retirement for All. When we work together, we all benefit. It is also important that we simplify a system for saving for retirement. A deferred compensation program, as promoted by POWRS, is a necessary step to helping workers retire with security.”

“As a second solution, I support efforts to expand Social Security and implement Medicare for All. Millions of people rely on these programs to live in dignity. Universal healthcare is long overdue, and Medicare for All is the best way to ensure access to quality care and affordable medications. I believe that expanding Social Security and implementing Medicare for All is vital for any retirement security policy.”

#3 Multi-employer Pension Programs (MEPS) continue to face threats of insolvency even after America Cares Act assistance. How will you use your office to help solve this problem?

Mandela Barnes: “I was glad to see the inclusion of the Butch Lewis Emergency Pension Plan Relief Act of 2021 in the American Rescue Plan. However, in the U.S. Senate, I will push for further legislation that ensures the stability and solvency of the Programs, starting with the passage of important provisions that were removed from Butch Lewis Act before it passed, including 15-year protections for employers’ withdrawal liabilities.”

Sarah Godlewski: “Last year’s passage of the Butch Lewis Act was a good start. But we have to get more funding for the Special Finance Assistance Program created under the American Rescue Plan so that the Pension Benefit Guarantee Corporation (PBGC) can approve funding for more struggling multi-employer plans.”

“There are many advantages to a MEP that IRAs and 401Ks lack. MEPS allow many unrelated employers to participate in a group plan, reduce cost and paperwork for employers, minimize risks for employees by providing oversight and managing contractor and investment options. MEPS can also achieve economies of scale, lower costs, reduce investment risk and mitigate market volatility.”

“In the Senate, I will work across the aisle to build retirement security to help ensure that every Wisconsinite can retire with peace of mind after a lifetime of work.”

Alex Lasry: “Pensions are promises that have been made to workers that must be kept. I will be a passionate advocate for pension protections in the United States Senate and I will vote against any legislation that puts multi-employer pension funds at risk. I will continue to look for additional ways to strengthen multi-employer pension funds for the future.”

“Senator Tammy Baldwin’s Pension Stability Act is an example of the type of legislation I would support that would ensure that we protect the pensions of the 36 million people participating, including 25,000 Wisconsinites. We need to ensure that Wisconsinites are not paying into a system that won’t keep its promise.”

Tom Nelson: “Multi-employer Pension Programs are at risk of insolvency because of Wall Street greed and mismanagement. I will not allow beneficiaries of MEPs to be forced to accept egregious benefit cuts. As senator, I plan to fight to close tax loopholes for the ultra-rich who avoid paying billions in taxes every year. We need bold tax reform like raising capital gains tax on the rich, implementing the wealth tax on the ultra-wealthy, and eliminating incentives for businesses to shift jobs and profits overseas. No multi-millionaire or billionaire should have laborers that fear retirement insecurity.”

“MEPs can and should be managed with beneficiary-focused practices. I will use my office to advocate for management structures in MEPs that mirror the fiduciary duties and good practices of the Wisconsin Retirement System and the State of Wisconsin Investment Board, which have been proven to succeed.”

#4 Social Security faces many funding, demographic, and potential insolvency issues that are not being addressed. What solutions will you propose or support to remove the threats that hang over this vitally important program?

Mandela Barnes: “I will always stand up for Social Security and oppose politicians like Ron Johnson who proudly support plans that would sunset Social Security. In the Senate, I will support legislation that makes Social Security solvent for decades to come, avoids benefit cuts, and enhances COLA increases, simply by ensuring that very wealthy Americans pay their fair share into this vital program.”

Sarah Godlewski: “Working Americans pay into the Social Security program, and they have earned the right to receive the benefit of their hard work when the time comes. It falls squarely on members of Congress to do everything they can to protect Social Security for future generations. I am not in favor of privatizing Social Security, nor am I okay with budget cuts impacting Social Security. Trump’s executive order payroll tax deferral was nothing short of a disaster. We should be doing everything we can to provide an increase in Social Security benefits to current and new beneficiaries.”

“I would support the Social Security 2100: A Sacred Trust legislation proposed by Rep. John Larson and Sen. Richard Blumenthal, and agree with them that we should be protecting against inflation by improving the annual cost-of-living adjustment (COLA) formula to better reflect the costs incurred by seniors. We’ve also got to protect low-income workers – no one who paid into the system over a lifetime should retire into poverty. The new minimum benefit should be set at 25% above the poverty line and tied to wage levels to ensure that the minimum benefit does not fall behind. In addition, we need to provide “caregiver credits” to ensure that caregivers are not penalized in retirement for taking time out of the workforce to care for children or other dependents.”

“I would also support Rep. Gwen Moore’s Social Security Enhancement and Protection Act bill to provide additional security by increasing benefits for all beneficiaries 20 years after retirement by a uniform amount equal to 5% of the average retired worker benefit in the prior year.”

“Ron Johnson repeatedly has referred to Social Security as a ‘Ponzi Scheme.’ Unlike the incumbent, I am someone who understands how Social Security trust funds actually work. I am committed to ensuring we continue to provide the retirement support Americans need. In the Senate, I will work across the aisle to prioritize fixes to Social Security and bring into the discussion new solutions to help workers save for retirement.”

Alex Lasry: “We must support and maintain our Social Security program to ensure that the United States government fulfills the promises we made to every retiree. We need to expand the revenue subject to social security taxes. Only the first \$142,800 of a worker’s earnings is subject to the 12.4% in Social Security taxes. We need to increase the amount of wages that are subject to tax, which will substantially improve Social Security’s finances.”

Tom Nelson: “Social Security was created to provide a safety net for retiring Americans. I will work to expand Social Security for all Americans by removing insolvency threats to the program, expanding benefits, and lowering age eligibility. If we as a country have learned anything from the COVID-19 pandemic, it is that we need a robust social safety net program to protect all Americans.”

“To accomplish this, I am in favor of lifting the income cap at which the rich stop paying into Social Security. Currently, the maximum amount of earnings subject to a Social security payroll tax is just \$147,000. This is a loophole that allows the ultra-wealthy to avoid paying their fair share to Social Security. We need to raise this cap and close tax loopholes to gather the resources that will stabilize the program long term.”

“I also support efforts like the No Tax Breaks for Outsourcing Act (HR 1785), the Ultra-Millionaire Tax Act of 2021 (HR 1459) and a robust estate tax to discourage offshore tax havens and finally get everyone to pay their fair share into our public programs.”

#5 To control prescription drug costs, do you support legislation to allow Medicare to negotiate prices or use competitive bidding as occurs with the Veterans Administration?

Mandela Barnes: “Yes”

Sarah Godlewski: “Yes, I absolutely support legislation to allow Medicare to negotiate prices. I recently released my plan to reign in prescription drug costs and hold Big Pharma accountable. In it, I argue that there is no justifiable reason why in the United States, one of the wealthiest nations across the globe and one of the largest purchasers of pharmaceuticals, consumers pay the highest prices for medicine.”

Alex Lasry: “Yes”

Tom Nelson: “The cost of drugs directly impacts the health and economic security of vulnerable Americans and retirees. We must hold Big Pharma accountable for their price gouging and corporate greed. While 1 in 5 Americans cannot afford their prescription drugs, the pharmaceutical industry makes billions in profit each year. It is simple -- no one’s health should be at risk simply because of the inability to pay for their medications.”

“There is no good reason that Big Pharma should be allowed free reign on drug pricing when dealing with Medicare and Medicaid. I support efforts like the *Lower Drug Costs Now Act* (H.R. 3), that aims to lower the cost of prescription drugs by giving the government the ability to negotiate drug prices. This Act allows HHS to get tough on Big Pharma and takes the necessary steps to secure fair drug prices for millions of Americans. I will support any policy that favors the patients over corporate greed.”

#6 Where do you stand on adding vision, hearing, and dental service coverage to the Medicare Program?

Mandela Barnes: “I am in support of adding vision, hearing, and dental service coverage to the Medicare program.”

Sarah Godlewski: “We must add vision, hearing and dental care coverage to Medicare, so that Medicare provides the health care seniors need to have a good quality of life. I recently went to a community dental clinic and half of their adult population does not have dental insurance and is unable to purchase dentures. The lack of dental insurance causes greater health problems, and is devastating to the dignity of our fellow Wisconsinites. We must change this.”

Alex Lasry: “I support expanding our Medicare program to add additional dental, vision and hearing.”

Tom Nelson: “Without hesitation, I support adding vision, hearing, and dental service coverage to the Medicare Program. Not only is this shown to be a priority for voters of all ideologies, but it is common sense health care. We’ve learned, and health professionals have advocated, that these services are intertwined with a person’s overall health. As senator, I plan to improve Medicare for beneficiaries by expanding coverage and benefits so that nobody is denied care. America is falling far behind in our accessibility to health care. People are denied every day for their inability to pay for treatment and medications. I am a fierce supporter of Medicare For All in order to achieve universal coverage and equitable health care, which includes vision, hearing, and dental.”

#7 Many states are creating programs to encourage individuals to save more for retirement and small businesses to offer retirement savings options. But Roth IRAs do not allow employers to contribute to an employee's IRA savings plan. How would you simplify and consolidate federal tax laws for all retirement saving options (IRAs, 401ks, etc.) to eliminate legal barriers and limitations for state-sponsored retirement savings programs?

Mandela Barnes: “Congress should follow the model of the Wisconsin Retirement System, which is ranked #1 in the United States and consider the creation of a parallel system for private-sector employees.”

Sarah Godlewski: “We need to amend ERISA to allow employers to contribute to IRAs and 401Ks. Right now, because IRAs and 401Ks don’t allow for employer contributions, all the risk and responsibility with respect to saving is on the individual, meaning his or her success in retirement depends entirely on how much the individual can set aside, and how much their investments return. The bottom line is these kinds of programs don’t adequately pool resources and share risks, they don’t lower costs, and they don’t reduce investment risk or mitigate market volatility.”

“We can do more with tax incentives. For instance, as proposed under the Secure Act 2.0, we can allow businesses with up to 50 employees to receive a three-year 100% tax credit for the administrative cost of setting up a retirement plan, up to a maximum benefit of \$5,000. Or small businesses could claim a tax credit for joining a multi-employer plan, no matter how long that plan has existed, for three years. To encourage employer contributions and use of ERISA plans, we could provide the largest tax credit to employers who start or join an ERISA plan and provide an employer match.”

“Finally, we’ve got to rein in the giant tax-free retirement accounts amassed by the ultra-wealthy – which billionaires are using to shield their fortunes. To do that, we need to impose a wealth tax on these huge accounts.”

Alex Lasry: “We need to simplify and consolidate federal laws to make it easier for all Americans to understand the programs and save for retirement. We need to ensure that states do not face barriers to innovation and set minimum standards for all state programs, but avoid any barriers or limitations that would hinder more expansive state programs.”

Tom Nelson: ““I understand that saving is important. As POWRS contends, saving is an important supplement to a retirement plan. As a start, I support Sen. Warren’s Retirement Savings Lost and Found Act of 2021 which aims to modernize the retirement system and IRAs as people move between jobs. Unlike generations before, current workers move jobs several times throughout their lives. This is a way for workers to maximize their investment earnings and ensure they are not losing out on hard-earned benefits at retirement.”

“I also believe that a simplified and consolidated retirement savings system should look a lot like the Wisconsin Individual Retirement Savings Program. These beneficiary-focused investment practices and decreased management fees make the deferred compensation plan a simple and secure savings plan. I applaud the reputation and success that this program has earned over the last several decades, and would be proud to lead efforts to make a system like this available to private employees.”

#8 Guaranteed, defined benefit retirement pensions provide more secure, stable retirement income at lower cost than defined contribution retirement savings plans (IRAs, 401Ks, etc.). Would you support efforts to create defined benefit pensions (or that option) for all workers?

Mandela Barnes: “Yes.”

Sarah Godlewski: “Yes. I support workers having access to secure defined benefit pensions. Defined benefit plans are likely to cost employers less over the short term. They serve as secure retirement benefits that are based on a person’s salary and period of service. They help ensure an adequate standard of living throughout retirement. Individuals do not need to make decisions about, or face the risks associated with, enrollment, contribution levels, investment allocations, and portfolio re-balancing. The only real decisions a Defined benefit participant needs to make are when to retire and start claiming benefits, and the form in which to take them”.

“The retirement plans that dominate now — 401(k)s — were designed to supplement defined benefit pensions, but became the main vehicle instead. Defined contributions offer no guaranteed income in retirement, but instead put the responsibility for saving and investing entirely on the individual, leaving people more worried about their financial futures. Importantly, they don’t allow employers to contribute or match, which severely limits workers’ ability to meaningfully grow their retirement savings.”

“In the Senate, I will work across the aisle to build retirement security to help ensure that every Wisconsinite can retire

with peace of mind after a lifetime of work. I would support legislation such as the SIMPLE Plan Modernization Act proposed by Senators Warner and Collins.”

Alex Lasry: “Yes.”

Tom Nelson: ““Yes. Everyone deserves the right to retire with financial security. Guaranteed, defined benefit retirement pensions are a lifeline for tens of millions of senior Americans. I believe that it is important for employers to be responsible for contributing to their employees’ retirement. However, this is not so simple for those in small business, self-employed, or in gig work. Individual Retirement Accounts and 401ks can be risky investments if mismanaged, and don’t provide certainty that a worker can rely on for their retirement living. That is why we must implement a system for public and private workers that helps to spread risk and create a high-quality low-cost retirement program. This is achieved through the Wisconsin Retirement System model. I would support expanding the WRS model and creating defined benefit pensions for all workers.”

#9 What would you propose to educate people about retirement issues and solutions?

Mandela Barnes: “We should be teaching kids in high school how to prepare for and invest in their futures by making this a part of their curriculum. The government should also proactively reach out to working Americans and increase the accessibility of information about options for retirement savings.”

Sarah Godlewski: “Teaching financial literacy is the first step necessary in getting more Wisconsinites planning and saving for retirement. That’s why a public service campaign is vital, through TV ads and digital ads. That messaging has to be taught in our high schools, at our community colleges and technical schools, in our communities, in our religious institutions, at our union meetings, and in our elected leaders’ town halls. It’s just too important to hope folks figure it out.”

“Ideally, we would work to create a program such as Social Security or WRS to allow participants to contribute via payroll deductions.”

Alex Lasry: “Unfortunately, most people start to think about retirement after they are well into their career. We should incentivize high schools and higher educational institutions to offer more financial literacy programs to reach students early. We also need to partner with community organizations to provide financial literacy information that is accessible and attainable to all of our citizens that need it.”

Tom Nelson: “I commend the work that POWRS is doing to educate the public about retirement issues and solutions. As senator, I would be proud to work alongside POWRS to continue their mission.”

“Throughout my career, I have found that traditional voter contact is invaluable. During my first campaign for Wisconsin Assembly way back in 2004, I walked door to door to introduce myself and hear the concerns of voters. I turned those concerns into plans and ended up beating the incumbent in the general election. For this campaign, I am doing the same thing. Instead of knocking on a million doors, I traveled to every single county in Wisconsin on my “Full Nelson Tour” and spoke directly to voters. Once again, I heard their concerns and shared my plans. While fancy endorsements and social media boosts are both modern and efficient, it is important to have a physical presence in the community. This is how I would propose educating people about retirement issues and solutions.”

“I am also a tireless supporter of the worker’s right to unionize. Unions help accomplish this very work of educating workers on issues and helping them create solutions. I believe partnerships with local unions can go a long way in educating employees on retirement issues and organizing them to achieve the solutions they deserve.”

*Protect Our Wisconsin Retirement Security (POWRS) does not endorse any candidate. POWRS is a statewide working group of volunteer citizens working to protect the Wisconsin Retirement System (WRS), Social Security, Medicare and to enhance retirement security for all Americans. www.powrs.org.