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Chris Carosa gets it backwards in his article on state initiatives to help private-sector workers save for retirement. ("What Those State-Run Plans Aren't Telling You," May 17, 2017). These plans are not a threat to workers; the lack of a secure future retirement income most certainly is.

State-facilitated plans gained traction in recent years because small businesses had so few options. Providing retirement benefits is costly for small employers, which cannot reap the benefits of scale as readily as their larger competitors. The Government Accountability Office has noted that only 14 percent of employers with fewer than 100 workers offered retirement benefits. Far from trying to drive away private-sector retirement service providers, the states are filling a void that these providers have long ignored.

Carosa dwells at length on the reasons why state- facilitated programs were exempted from ERISA, seeing nefarious motives where there was only a commitment to workers' financial security. The reason for the exemption is simple: The state- facilitated programs are structured as individual retirement accounts (IRAs), and all IRAs are exempt from ERISA.

He also betrays ignorance about how the programs actually work. There is no public financing of the private-sector plans, and workers have an absolute right to opt out of participation. Auto-enrollment is a feature of these plans because it is demonstrably the best way to get people to save – but there are no handcuffs in these plans.

Respectfully,

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