

The Women's Retirement Protection Act of 2025

Senator Tammy Baldwin

A secure retirement is one of the hallmarks of a strong middle class and an economy that works for all Americans, not just the wealthiest few. However, after decades of stagnant wages and barriers to saving adequately, far too few Americans are financially prepared for retirement. Women lag significantly behind their male counterparts in retirement savings, as the median retirement income in 2023 was 84 percent of men's retirement income. Because of these financial challenges, women, age 65 and older, are much more likely to live in poverty, compared to men in the same age group. This is partly because women face systemic barriers, like unequal pay and time out of the workforce for caregiving duties, which make it more difficult to adequately save for retirement.

The **Women's Retirement Protection Act of 2025** (WRPA) would address some of these challenges by extending critical protections to women's retirement security and providing enhanced tools to ensure women can better prepare for retirement.

Strengthen consumer protections to safeguard retirement savings. For many working families, their 401(k) plan is often their largest asset aside from their home. Under current law, one spouse could take a distribution or a loan from the plan without the other spouse's knowledge or consent. This could have a devastating effect on the unknowing spouse and the family. WRPA would provide spousal protections similar to those that are available for defined benefit plans to defined contribution (DC) plans like a 401(k). The Federal Thrift Savings Plan already requires spousal consent for almost all distributions.

Increase financial literacy. One of the most promising ways to ensure people gain important financial and economic skills is through education. WRPA would enhance and bolster women's financial literacy through two methods. First, financial providers would be required to provide a link to the Consumer Financial Protection Bureau in any offer for the sale of a retirement financial product or service. This link would provide information and resources regarding retirement planning and/or retirement security. WRPA would also provide for grants through the Department of Labor to established community-based organizations to improve the financial literacy of women who are of working or retirement age.

Provide assistance to help certain women obtain qualified domestic relations orders.

According to a recent survey by the American Academy of Matrimonial Lawyers, retirement accounts and pensions are the second-leading cause of contention in divorce as they are often one of the largest assets of a divorcing couple. The process by which retirement accounts and pensions are divided is called a qualified domestic relations order (QDRO). QDROs are separate from a divorce agreement and despite the fact that fees and expenses associated with retirement plans have been in decline, fees related to QDROs are increasing. The additional legal fees and other fees associated with QDROs are not typically contemplated in divorce proceedings. Low-income women and survivors of domestic violence are more prone to leave money on the table because of the added expenses and hassle of obtaining a QDRO. WRPA would provide grants to community-based organizations to assist these groups of women in obtaining the benefits to which they are entitled through QDROs.

Supporting Organizations: National Women's Law Center, Pension Rights Center, and AARP