

US Special Committee on Aging Hearing
"Building Wealth and Fostering Independence: Creating Opportunities to Save"
July 15, 2021
9:30 AM

Opening Statement by John Iacofano, Owner of Iacofano's Catering

Good morning Chairman Casey, Ranking Member Scott, and members of the Committee. My name is John Iacofano, and I am the Owner of Iacofano's Catering in Mount Pleasant, South Carolina.

Twenty years ago, as a struggling student with \$90 to my name I painted a building to get the down payment for a 300 sq. ft. space to start my catering business. Iacofano's began by preparing deli trays for corporate groups and later opened three restaurants.

Today Iacofano's provides catering and food services to corporate events, weddings, in-flight service, senior living facilities, and meal service for non-profits such as Meals on Wheels. We have 85 employees and 6 locations across the country, including Charleston and Columbia (SC), Charlotte (NC), West Deptford (NJ – suburban Philadelphia), Cleveland (OH), and Denver (CO). Our average employee age is 45, with the oldest being 78.

During the pandemic we were able to maintain a workforce and add additional quality employees from large corporate layoffs. As large corporations began to rehire, we were unable to keep up with the benefits they offered, specifically retirement plans. We lost one of our best employees when her former employer, an international catering company, offered to reinstate her benefits. We offered her over 11% more pay plus success sharing checks but she went back with her former employer for one simple reason, the bigger firm offered her a retirement plan.

My small business attempted many times to implement our own employee retirement plan but were shut down by the excessive fees along with plan liabilities and administrative burdens my team could not handle.

At Iacofano's we are on a mission to cover the entire circle of life for our employees: from healthcare, competitive pay, vacation, and more. However, the number one inquiry candidates and employees ask is, "do you have a retirement plan?"

Just a few months ago, Matt Watson at NFP approached me with a possible solution to our retirement plan struggles; the SECURE Act had passed through Congress and established Pooled Employer Plans (PEPs), allowing unrelated employers to join together to provide workplace retirement savings options without some of the costs, administrative burdens, and liability attached to sponsoring a plan on their own. One month later we are on a conference call setting up our plan and two months later we are launching our first employee retirement plan at Iacofano's.

The new PEP system is a plug-n-play plan that links directly to our payroll system at a low cost of \$2,600 per year broken into quarterly payments. Our plan provider offers educational classes to our team; and handles all employee enrollment, legal requirements, and administrative work. These cost and administrative savings are the sole reason we are now able to offer our employees retirement

benefits. Plus, these low costs allow us to offer a competitive match. These are new dollars going into the paychecks of our valuable team members.

Chairman Casey, Ranking Member Scott, and members of the Committee; I am thrilled to announce that as of **today** our employee retirement plan is open for enrollment. For the majority of my employees this is the first workplace retirement plan ever.

On a personal note, my father was a small business owner, he passed away and the business was closed. My mother as a stay-at-home mother for 30 years had to be reintroduced into the workforce. Now at 78 years of age her current retirement plan includes \$1,450 in Social Security and \$270 from a large company that she worked for 10 years. Had access and education of the PEP plan been available to my family, my mother would not have to be working full time to make ends meet in retirement. This PEP is going to help my employees change the retirement that they once thought they were destined to have.

Our next goal is to continue to grow the diversity of employees within our company. We are fortunate to work with Babcock Centers in Columbia, SC, an Adult with Disabilities Empowerment Organization. Babcock approached us over two years ago asking if we were willing to bring on 1 or 2 of their clients to work in our facility. With the help of a Babcock representative, we hired a gentleman named Jay. Jay continues to work for us and is a vital part of our team. If it had not been for our services providing meals to the Babcock Center, we would have never known about the opportunity to hire adults with disabilities.

Small Businesses need more information and availability to hire, train, and provide new opportunities for adults with disabilities. This along with the new PEP plan will only help small businesses like mine become competitive employers and take care of the entire circle of life of their employees.

I would be happy to help this committee in any way possible to get the word out to small businesses. Thank you for your time and I'm happy to answer any questions you that may have.