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Council recommends improvements to 'Tax 2.0' retirement savings legislation

WASHINGTON, DC - "The Family Savings Act of 2018 (H.R. 6757) includes some very valuable provisions strongly supported by the American Benefits Council. There are also a number of non-controversial bipartisan bicameral proposals that should be added and other provisions to be modified to strengthen retirement security," said Lynn Dudley, the Council's senior vice president, global retirement and compensation policy, on the occasion of the U.S. House of Representatives Ways and Means Committee consideration of the bill.

Council President James Klein sent [a letter to committee leaders](#) on September 12 applauding the inclusion of several positive provisions but recommending a number of changes to improve the bill.

"We are very pleased the bill includes nondiscrimination testing reform for defined benefit pension plans in which newly-hired employees do not participate," and "[w]e also thank you for including multiple employer plan (MEP) reforms, including permitting open MEPs and eliminating the punitive "one bad apple rule," the letter said.

However, the Council remains "troubled by the study of Pension Benefit Guaranty Corporation (PBGC) premiums ordered by the bill. ... [W]e were disappointed to see a study that does not even inquire into whether premiums are too high, which they clearly are, but rather asks if they should be even higher. And the study raises issues that have been rejected sharply by Congress on numerous occasions," Klein said. "Unduly high PBGC premiums are threatening the vitality of the defined benefit system

and driving a large number of employers out of the system. This is the time to fix that issue, not study ideas that would make the situation worse.”

Additionally, as the Council’s letter notes, “a number of non-controversial bipartisan bicameral provisions are not included in the bill,” such as an adjustment to PBGC premium levels for pension plans serving multiple charities or cooperatives (CSEC plans). “We are very disappointed in the absence of this non-controversial bipartisan, bicameral provision from the bill,” Klein said.

The CSEC plan provision – along with other valuable proposals – is already included in the Senate’s Retirement Enhancement and Savings Act (S. 2526).

“The Council recommends that H.R. 6757 be modified in accordance with our letter, approved by the House and conferenced with RESA in a conference committee, where both bills can be perfected,” Dudley said. “Through bipartisan cooperation, Congress can advance retirement security.”

As part of the August 22 Bipartisan Policy Center [Funding Our Future](#) program, the Council called on policymakers to follow the Council’s [guiding principles for a national retirement policy](#). For more information, or to arrange an interview with Dudley, contact Jason Hammersla, Council vice president of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council’s members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.