



AMERICAN BENEFITS
COUNCIL

November 17, 2016
NR 2016-22

NEWS RELEASE

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Council sees opportunity in lame-duck session to improve employees' retirement security *Voices support for RSPA measure, RESA provisions*

WASHINGTON, DC – “The lame-duck congressional session presents lawmakers with an opportunity to advance several measures that would improve workers’ retirement security,” Lynn Dudley, senior vice president, global retirement and compensation policy for the American Benefits Council, said today. “We urge Congress to focus its energies on enactment of retirement policy reforms with broad bipartisan support.”

In [a November 17 letter](#), the Council praised Senators Rob Portman (R-OH) and Benjamin Cardin (D-MD) and Representatives Tiberi and Neal (D-MA) for their support of [the Retirement Security Preservation Act \(RSPA\)](#), which would protect participants in closed defined benefit pension plans from the inadvertent adverse impact of nondiscrimination rules.

“A glitch in the nondiscrimination rules effectively penalizes employers for trying to ‘do the right thing’ for their older workers if they are compelled to freeze their pension plans,” Dudley said. “The RSPA improves on [existing Treasury Department guidance](#) by updating the testing rules while providing targeted relief to the many plans that are not able to take advantage of the regulations.”

In [a separate November 17 letter](#) to Senate Finance Committee Chairman Orrin Hatch (R-UT) and the committee’s ranking Democrat, Ron Wyden (D-OR), the Council endorsed key provisions of the [Retirement Enhancement and Savings Act \(RESA\)](#).

This measure, which was unanimously approved by the Senate Finance Committee on September 21, incorporates the RSPA language for frozen defined benefit plans as well as a number of recommendations originating from the Council’s public policy strategic plan, [A 2020 Vision: Flexibility and the Future of Employee Benefits](#), including:

- Increasing the availability of open multiple employer plans (“open MEPs”), enhancing the ability of small employers to band together in a common plan to achieve the economies of scale of larger employers.
- Removal of the “10 percent of pay” limit on automatic escalation under the automatic enrollment safe harbor. This would allow employers to continue automatic escalation beyond 10 percent of pay to facilitate greater savings accumulation.

“The Council is committed to maintaining the strength of the employer-sponsored retirement system, which includes making it work better and for more people,” Dudley said. “We thank the sponsors of RSPA and RESA for their leadership, and we look forward to working with them to achieve our shared goals of improved financial security for American employees.”

For more information, or to arrange an interview with Dudley, please contact Jason Hammersla, Council director 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.