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## NEWS RELEASE

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### **Tax bill preserves critical incentives for health and retirement benefit plans, but challenges remain**

*Council urges continued vigilance in support of employee benefits*

WASHINGTON, DC - "This is the time of year for wise men, so we commend the authors of the tax reform measure enacted today for their wisdom in avoiding changes to the tax incentives for retirement and health benefit plans," American Benefits Council President James A. Klein said today.

"Because the need for federal revenue is sure to continue, we remain steadfast in defense of employer-sponsored health and retirement benefits, which are built on a foundation of wise and effective tax incentives," Klein said.

[A nationwide poll commissioned by the Council a few weeks ago](#) showed that the tax-favored treatment of employer-sponsored health and retirement benefits are the most highly valued in comparison to other significant and popular tax benefits like deductions for mortgage interest and charitable giving. Additionally, [the preliminary results from our quantitative research project](#) make clear that the supposed revenue loss associated with employee benefit tax incentives drastically dwarfs the enormous economic value they provide to individuals and the federal government. If employers were to exit the system and no longer offer health or retirement benefits, costs to the federal budget would skyrocket, as more employees would become eligible for public programs.

"While we are pleased Congress did not diminish the tax treatment of core health and retirement benefits, it missed an opportunity to advance a number of common sense proposals to make retirement plans more responsive to the needs of workers and employers, alike, when these provisions were dropped from the final bill. We look

forward to working with Congress to enact these measures that enjoy bipartisan support,” said Klein. “In addition, we have set forth [a number of critically important measures](#) lawmakers need to address, to support employer-sponsored health coverage. We urge Congress to act on these proposals as quickly as possible,” Klein added.

“Tax reform is never easy, and we look forward to working with Congress and the executive branch to address the inevitable implementation questions for the [benefits provisions](#) presented by the Tax Cuts and Jobs Act,” Klein said. “Our work over the last year – and, indeed, the last 50 years – leads us to a very clear conclusion: tax policy that supports employer-sponsored health and retirement benefits is essential for working families and the economy. We appreciate that the authors of tax reform share that view.”

For more information on tax policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council vice president, communications, at [jhammersla@abcstaff.org](mailto: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.*