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NEWS RELEASE

For additional information:

Jason Hammersla
202-289-6700

Council urges consideration of retirement savings legislation as part of relief bill

Enactment would help employees affected by natural disasters

WASHINGTON, DC – In [a September 22 letter to U.S. House of Representatives Ways and Means Committee Chairman Kevin Brady \(R-TX\)](#), the American Benefits Council (Council) strongly recommended that the provisions of the SEAL Act (H.R. 2030) be added to the disaster relief bill to be introduced soon.

“The provisions of H.R. 2030 would work hand in hand with other changes to plans designed to help workers continue to prepare for retirement and meet emergency needs,” Council president, James A. Klein wrote. The Council recently praised Brady for recognizing the need to permit residents affected by recent natural disasters to access their 401(k) retirement savings without paying a penalty and easier access to loans and hardship withdrawals. **“We applaud Chairman Brady for including those ideas in legislation he will be introducing very shortly,”** added Klein.

The [Savings Enhancement by Alleviating Leakage in 401\(k\) Savings \(SEAL\) Act](#) allows people who have terminated their employment and have an outstanding loan from their 401(k) plan an extended period of time to roll over the unpaid balance to another qualified savings vehicle. **More importantly, for those affected by natural disasters, the bill also removes the prohibition on plan participation applicable to any individual who has taken a hardship distribution from a retirement plan.**

“Workers who have a financial emergency should not be punished or discouraged from continuing to save for retirement and the SEAL Act corrects that,” said Klein.

“While all care must be taken to ensure that Americans do not erode retirement savings, natural disasters and other emergencies call for special consideration. Employer-sponsored retirement savings programs offer critical support to workers and are highly successful in helping Americans meet their retirement income needs. Inclusion of the SEAL Act provisions is in keeping with Chairman Brady’s stated goal to provide targeted relief for Americans in need and offer additional tools and support to help communities rebuild,” Klein concluded.

For more information on retirement policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council senior 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.