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NEWS RELEASE

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Council thankful that tax bills protect employer-sponsored retirement benefits

Hopeful that final measure continues to support employer plans

WASHINGTON, DC - "In keeping with the holiday season, the Council is thankful the tax reform measures passed by both the U.S. Senate and House of Representatives preserve our nation's successful, employer-sponsored retirement system," said James A. Klein, president of the American Benefits Council.

"Congress wisely declined to put a lump of coal in workers' retirement plans by [not curtailing pre-tax 401\(k\) contributions](#) and by [dropping initial plans to drastically change taxation for other types of retirement plans](#) serving the middle class. The House bill also includes a number of provisions - endorsed by the Council - that we are working hard to make sure are included in the final package," Klein said. These include:

- The modification of certain rules affecting "frozen" pension plans to allow participants in those plans to continue earning accruals, which would otherwise be prohibited by law.
- The provision allowing distributions to long-time employees at an earlier age even if they continue to work. This will prevent those workers from being forced to work for another employer or retire altogether in order to collect their well-deserved pension.

Both the Senate and House bills include valuable reforms allowing employees who have suffered a financial hardship, or who have taken out a plan loan, to use that money when they need it and more quickly when their situation improves.

“As we first reported at our recent 50th Anniversary Symposium on the Future of Employee Benefits, [a recent nationwide poll](#) found that the tax incentives for employer-sponsored retirement and health plans ranked a clear No. 1 and No. 2, respectively, in a list of consumer tax preferences,” Klein said. “If the final tax bill continues to recognize the importance of employer-sponsored retirement plans, it will be a holiday wish come true for hardworking Americans,” Klein said.

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