



March 29, 2019



This Week in Washington



AALU Announces Support of Proposal to Boost Retirement Savings

On Wednesday, we announced our support for a proposal by House Ways and Means Chairman Richie Neal (D-MA) that would enhance the opportunity for more Americans to save for retirement by requiring most employers to offer retirement savings plans for their employees. The Automatic Retirement Plan Act offers private-sector solutions that will improve Americans' long-term financial security by helping more workers save for retirement.

"Americans are not saving enough for a retirement that could last decades," **AALU CEO Marc Cadin said** "We can do more to help them. This proposal will improve the long-term financial security of the American people by offering private-sector solutions that would help more Americans adequately prepare for retirement. AALU thanks Chairman Neal for his leadership on this issue, and we look forward to working together to enhance the workplace savings system that encourages hardworking Americans to save and helps close the retirement savings gap."

[Read the press release here](#)

Just like your clients, Congress needs to prepare for retirement(s) too

Retirement isn't just a policy issue. In politics, Member retirements can shift the election cycle dramatically. That is because American voters tend to re-elect their current representatives by overwhelming margins. This is true even in elections that where the majority control changes parties like 2018, when 91 percent of incumbents were re-elected.

However, open seats (races without an incumbent) are generally much more competitive between the two parties. In 2018, 37 Republicans and 18 Democrats retired, a key development in expanding the number of competitive seats and ultimately, helping Democrats win control of the House.

Looking ahead to 2020, five members have already announced their retirements.

Member of Congress Spotlight: Rep. Tom Suozzi (D-NY)



Representative Tom Suozzi with Board Member Bob Eichler

This week AALU Board Member Bob Eichler hosted an event for Congressman Tom Suozzi (D-NY) in Washington, D.C. Rep. Suozzi is a new member of the Ways & Means Committee. He was first elected to Congress in 2016.

Drawing on support from AALU members across the country participating in the [Ambassador program](#), Bob was able to sit down with the Congressman and educate him on the noble work AALU financial security professionals do every day. In particular, they discussed the agenda on retirement security legislation in the 116th Congress. Congressman Suozzi expressed his support for the Retirement Enhancement Savings Act (RESA) and Chairman Neal's (D-MA) retirement policy agenda.

Read more: [Rep. Suozzi's Support for Financial Security](#)

Heads Up: Key Legislation Moving

Next week, the House Ways and Means Committee will vote on legislation that would update retirement tax policies and reform the IRS. The retirement aspects of the upcoming bill will be modeled largely on the Retirement Enhancement and Savings Act (RESA) and will contain numerous favorable provisions for the retirement industry. A previous version of RESA was unanimously approved by the Senate Finance Committee in 2016, and the bill was reintroduced in February by Reps. Ron Kind (D-WI) and Mike Kelly (R-PA). The IRS reforms would make changes to the IRS's appeals process and modify the agency's procedures for asset seizures.

If it had been enacted as drafted, RESA would have made numerous positive changes to the American retirement system. These would have included expanding multiple employer plans (MEPs), increasing the tax credit for small employer plan startup costs, adding an annuity selection safe harbor, mandating an annual annuity model of employees' retirement savings from their employers, and repealing the max IRA contribution age. These changes would make it easier and less costly for employers to sponsor retirement plans and allow Americans to save more efficiently and for longer during their lives.

Heard on the Hill

Quotes and insight from key policymakers this week on Capitol Hill

Retirement Security

Rep. Steve Chabot (R-OH) discussed expanding multiple employer plans (MEPs), asking witnesses why the move will make a difference. **Keith Hall, President and CEO of the National Association for the Self-Employed**, responded that costs and complications were the biggest concerns preventing small employers from offering retirement plans. He highlighted worries about testing, compensation limits, and safe harbors, and stated that expanding MEPs would create an opportunity to reduce those costs and complications. AALU understands the opportunities that expanding MEPs would

produce and will continue to advocate for positive reforms to the retirement system.

House / Small Business / 3-27 / Unlocking Small Business Retirement Security



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