



The Ferenczy Flash

FROM THE LAW OFFICES OF *Ilene H. Ferenczy, LLC*

The Latest Word in Employee Benefits . . .

STOP CONGRESS FROM HURTING RETIREMENT SAVINGS

Congress should not make it harder for small businesses to provide retirement benefits to their employees, but Rep. Lloyd Doggett (D-TX) introduced legislation that would make cross-tested plans less attractive for employers to offer. You can help fight these constraints with a few quick clicks by sending the prepared message below to your lawmakers.

What We're Fighting:

This is Rep. Doggett's second attack on cross-tested plans. Cross-testing is a technique used by pension practitioners to design plans that make sense for small business. Without cross-testing, many companies would find the retirement benefit cost for nonowner-employees to be prohibitive, and would likely terminate their plans. Rep. Doggett previously introduced a bill to repeal cross-testing altogether. His new approach is to let Treasury and the IRS undermine cross-tested plans with new regulations that would affect the methodology used for cross-testing to make it significantly less effective.

How to Send a Message:

With just a few clicks, you can send a message to all your lawmakers.* (To save time, you can use the message we've drafted below.) Here's how:

- 1) Click [here](#)
- 2) Type your ZIP Code into the box under "Elected Officials" and click "Go."
- 3) Under the red "Write Your Elected Officials" bar, click "Federal."
- 4) In the Subject line, write "Protect Retirement Plans" (or use your own words)
- 5) In the "Issue Area" box, select "Tax"
- 6) Copy and paste the message below in the "Editable Text" box (or write your own message).
- 7) Type your name in the "Your Name" box.
- 8) Complete the "Sender Information."
- 9) Click the "Send Message" button.

Use This Message:

Here's a sample message you can send (or feel free to craft your own):

Please say “No” to Congressman Lloyd Doggett’s bill to authorize Treasury and IRS to revise provisions that would affect cross-tested plans that are attractive for small businesses. These regulations could affect the interest rate used for calculations and the ability to use different formulas for different groups of employees. This will severely reduce the attractiveness of these plans and discourage small businesses such as mine from offering retirement plans to employees.

Now is not the time to make things tougher for small business, which is the driving force of the economy and our only hope to get more Americans back to work. Small businesses are the workhorses of the U.S. economy and our greatest source of jobs. In times when even large employers are cutting employee benefits and reducing the amount they contribute towards employee retirement savings, Congress should not be discouraging employers from contributing to retirement savings or offering retirement plans to employees.

These cross-tested plans provide extremely valuable retirement benefits for small business workers and this proposal will lead to plans being terminated. As one of your constituents and a business owner in your district, I am asking you to protect businesses like mine and employees in your district by fighting this bill.

Please let your representative and Congressman Lloyd Doggett know that you support small business retirement plans and that you oppose this bill.

Thank you for helping us fight this potential legislation. If you have any questions, please call us.

* ASPPA supports this website to provide an easy way for you to contact your elected officials. ASPPA is the American Society of Pension Professionals & Actuaries, the premier educator and policy advocate for practitioners in the retirement plan industry.

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