

Dear Representative/Senator _____:

24 million workers could lose their retirement if the “pass-through” tax rate proposal in tax reform legislation is not fixed. While I support reducing taxes on pass-through businesses, an unintended consequence undermines the tax incentives to small business owners to continue offering a retirement plan to their employees. The pass through tax rate on business income is so much lower than the tax rate on retirement distributions that it simply does not make economic sense to defer income into a retirement plan.

The fix simply involves matching the tax rate on retirement contributions with retirement distributions. This is how the tax incentives for retirement work today to build a successful private retirement system.

Please ask the Conferees to fix this problem before millions of American workers realize their retirement is at serious risk.