

# WHY WOULD CONGRESS HURT 401(k) PLANS?

## NATIONAL DEFICIT

Congress needs to figure out how to take care of the deficit, and part of the solution will probably include "tax reform" that raises more tax revenue. Anytime you hear a member of Congress talk about "broadening the base", what they mean is they will eliminate or reduce certain special tax benefits. The tax incentive you enjoy on your 401(k) contributions is one of the provisions Congress could cut back to help increase short-term tax collections.



Last time Congress made major changes to the tax code, they cut 401(k) contributions by **more than 70%**

