



AMERICANS *for* TAX REFORM

December 20, 2018

Ms. Mara Blumenthal
Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

RE: RIN 1210-AB88; Notice of Proposed Rulemaking (NPRM), Definition of “Employer” Under Section 3(5) of ERISA-Association Retirement Plans and Other Multiple-Employer Plans; Employee Benefits Security Administration

Dear Ms. Blumenthal:

I am writing in support of the Employee Benefits Security Administration’s (EBSA) proposed rule on the definition of “employer” under Section 3(5) of ERISA employer plans. Americans for Tax Reform strongly supports the proposed definition because it will increase tax equity and help small businesses.

Americans for Tax Reform (ATR) is a nonprofit organization that opposes all tax increases as a matter of principle and advocates on behalf of all American taxpayers. ATR is interested in this rule because the proposed definition of “employer” will help the American taxpayer and the U.S. economy.

Allowing more small businesses to join together and provide retirement benefits at a lower cost will result in more workers with retirement plans. These workers will now be able to take advantage of tax benefits from participating in retirement plans through their employer. As a result, this will increase tax equity among workers.

Further, many Americans have not adequately saved for retirement. The Employee Benefit Research Institute projects that 43 percent of those aged 35-64 will not have enough saved to pay for their average retirement expenses including their long-term care expenses. If Americans do not have adequate savings for retirement, the American taxpayer could become responsible for this deficit. This proposed rule could reduce this potential burden on American taxpayers.

The proposed definition of “employer” would also help small businesses and their employees. Currently, large businesses can take advantage of economies of scale and greater market power due to their size. In fact, the Government Accountability Office has found that workers typically pay higher fees for retirement plans if they work for a smaller business. Allowing more small businesses to join together to provide retirement benefits will increase their market power and lower their costs through economies of scale. This rule would put large and small businesses on an equal playing field.

Because the proposed definition of “employer” would lead to more retirement plans for workers, increase tax equity and level the playing field between small and large businesses, Americans for Tax Reform strongly supports the EBSA’s new proposed rule.

Onward,

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President

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