

**MEMO# 7700**

March 11, 1996

# **IMPACT OF TAX REFORM PROPOSALS ON EMPLOYEE BENEFITS**

March 11, 1996 TO: PENSION COMMITTEE No. 8-96 RE: IMPACT OF TAX REFORM  
PROPOSALS ON EMPLOYEE BENEFITS

\_\_\_\_\_ As discussed  
at the last Pension Committee meeting, attached is a discussion of various tax reform proposals and their impact on employee benefits that was published by the Employee Benefit Research Institute (EBRI). The tax reform debate raises significant issues regarding the use of tax incentives to encourage retirement savings as compared to the use of the tax code to provide more general, individual savings incentives. Each tax reform proposal discussed in the EBRI material would alter the relative tax advantage many employee benefit programs now enjoy, and therefore would affect the continued formation and maintenance of employee benefit plans and individual participation rates in those plans. We will keep you informed of developments. Russell G. Galer Assistant Counsel - Pension Attachment

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