

**MEMO# 3085**

September 11, 1991

## **INSTITUTE TESTIFIES BEFORE ERISA ADVISORY COUNCIL**

September 11, 1991 TO: PENSION MEMBERS NO. 33-91 RE: INSTITUTE TESTIFIES BEFORE ERISA ADVISORY COUNCIL \_\_\_\_\_ The Institute presented testimony today before the ERISA Advisory Council Work Group on Small Business Retirement Plans. The Work Group is seeking to promote increased retirement plan coverage and benefit security for employees of small businesses. In its written and oral statements, the Institute noted the trend in the pension market from defined benefit to defined contribution plans. Since small businesses are particularly receptive to simple defined contribution plans, the Institute urged the expansion and enhancement of the salary reduction SEP arrangement. In particular, the Institute supported legislation to make such arrangements available to employers with 100 or fewer employees and to provide a non-discrimination "safe-harbor" in the form of mandatory employer provided matching contributions. Such matching contributions reward employees who participate in the program and also provide an incentive for employees to save for their retirement. A copy of the Institute's testimony is attached. We will keep you informed of developments. W. Richard Mason Assistant Counsel - Pension Attachment

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