

NEWS RELEASE

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ICI Comment on President Obama's Fiscal Year 2017 Budget

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Washington, DC, February 9, 2016—*Investment Company Institute President and CEO Paul Schott Stevens made the following statement today about the White House budget for fiscal year 2017, which includes proposals affecting retirement savings and investment tax rates:*

"ICI shares President Obama's goals of increasing the opportunities and incentives for American workers to build a secure retirement. We strongly believe that further work in this area must build on the successes of the private retirement system—which has helped Americans to accumulate more than \$23 trillion in retirement savings—to incorporate stronger incentives and tools that will enable employers to voluntarily provide coverage to their workers.

"Specifically, we believe policymakers should establish a 'Simpler' 401(k) or 'starter' plan option for employers, and open up multiple employer plans (MEPs) to allow unrelated businesses to pool together to offer plans to workers who currently lack coverage.

"We congratulate the Administration for including a proposal on open MEPs in its budget and look forward to working with it to further explore this option. We also stand ready to work with the Administration and lawmakers to introduce a 'Simpler' 401(k). This option would provide an attractive, low-cost, voluntary path for employers currently reluctant to offer a plan. And as these employers grow and become accustomed to the basic responsibilities of sponsoring a plan, they may be more inclined to step up to offering a 401(k) plan with higher contribution limits and additional flexibility for workers.

"We strongly oppose, however, the Administration's proposals to further limit the amount that Americans can save for retirement and to reduce the tax incentives to save for retirement. We urge policymakers to maintain the current system of tax deferral, which is [strongly supported by American workers](#) and critical to the successes and strengths of the U.S. retirement system.

"Finally, it is unfortunate that this administration continues to pursue tax increases that would reduce incentives for individuals to invest and save. Increasing capital gains and qualified dividend tax rates to the levels proposed in this budget would have a significant impact on capital formation and job growth, and would ultimately weaken economic security for millions of American families."

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