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PSCA (Profit Sharing/401(k) Council of America)

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PSCA

PROFIT SHARING/401(K) COUNCIL OF AMERICA ■ THE PROFIT SHARING AND 401(K) ADVOCATE
1200 New Hampshire Avenue NW, Suite 800, Washington, DC 20036-6802 202 776.2020 Fax: 202.776.2222

May 24, 1996

File

Martin N. Baily
Old Executive Office Building
Room 315
17th Street and Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Baily:

As a member of the policy making team in federal government's regulation of employer-sponsored retirement benefit plans, I thought you would be interested in examining the Profit Sharing/401(k) Council of America's proposals for re-evaluating retirement-income security.

PSCA recommends a new framework for retirement-income security which recognizes that individuals primarily are responsible for ensuring their own financial security in retirement, although government and employers should continue to play significant supporting roles. As a result PSCA has reevaluated the traditional model in which individuals and government share equally the responsibility for ensuring the retirement income security needs of American workers.

In the first, *Helping Americans to Help Themselves: A Framework for Financial Security in Retirement*, PSCA examines the effects that changes in demographics, lifestyles, the business environment and national savings have had on Americans' ability to prepare for retirement. PSCA believes that the retirement system would expand if the government imposed barriers to saving, investment and plan sponsorship were lowered. More employers could provide more meaningful retirement benefits if they have the flexibility to design and fund programs that take into account their unique business needs and those of the changing workforce. Further, schools, government and financial institutions as well as employers and the media must combine their efforts to educate and encourage workers to save and invest.

The second paper, *Helping Americans to Help Themselves: The Role of Profit-Sharing/401(k) Plans in the Retirement-Income Security Framework*, explains the benefits profit-sharing and 401(k) plans offer to employees as well as employers who need to attract, retain and motivate a quality workforce. These plans are currently extremely popular but the government must do more to encourage greater employer sponsorship and participation by setting reasonable contribution and benefit limits and by simplifying the regulatory structure.

PSCA is the largest association of employers which sponsor profit sharing and 401(k) plans. It is a national non-profit association established almost 50 years ago. We urge your support of efforts to expand regulatory flexibility for profit sharing and 401(k) plans as well as initiatives to educate individuals, government and employers about the most effective ways to ensure retirement-income security for all Americans.

Sincerely yours,

David L. Wray

David L. Wray, President
Profit Sharing/401(k) Council of America

Helping Americans to Help Themselves

The role of profit-sharing/401(k) plans in the retirement-income security framework

Profit Sharing/401(k) Council of America

PSCA

Profit Sharing/401(k) Council of America
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Helping Americans to Help Themselves

A framework for financial security in retirement

Profit Sharing/401(k) Council of America

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