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President & CCO
CBIZ Financial Solutions, Inc.

November 11, 2016

The Honorable Jim Renacci
328 Cannon House Office Building
Washington, D.C. 20003

Dear Representative Renacci,

We understand you will soon be introducing legislation to allow for Open Defined Contribution MEPS with very similar language that recently passed the Senate Finance Committee. You may recall that we met in September and discussed the positive impact both the “Pooled Employer Plan” and Pooled Plan Provider” provisions in the Retirement Enhancement and Saving Act of 2016 could have on increasing retirement savings and security for many, many Americans. Thank you so much for continuing to support these important legislative changes and improvements.

Studies have shown that participation rates by moderate income (\$30k-\$50) workers average 71.5% when they have access to an employer retirement plan vs. 4.6% when they do not. In other words, middle class workers are 15 times more likely to save for their families’ retirement at work than on their own!

As an advisor and consultant to many small businesses, we know that most business owners want to provide a retirement plan to their employees, but the cost and administrative burden are significant roadblocks when making this important decision. Pooled Employer Plans will significantly change this by allowing unrelated employers to pool together into one plan, create economies of scale, lower plan and employee cost to levels only the largest company retirement plans can negotiate and most importantly, BOOST RETIREMENT SAVINGS! Furthermore, we believe companies like CBIZ that already act as a fiduciary to retirement plans can operate as the Pool Plan Provider, provide fiduciary consulting expertise and ensure the proper operation of the plan so that adopting employers will not have to worry about the actions of one employer that could put the plan at risk for all employers.

Two additional points of note regarding Pooled Employer Plans that we believe are important. First, your congressional colleagues should be clear on the fact that Pooled Employer Plans are quite different than the Multi-Employer Plans that have and have had funding issues. PEPs are Defined Contribution Plans vs. Defined Benefit Plan, so there are no underfunding issues. Second, with DOL authorized state sponsored MEPs, the availability of Pooled Employer Plans will level the playing field by allowing for competition in the marketplace.

I know you believe it is critical to promote retirement savings today, and since we know that Americans save at work, thank you again for helping increase access to retirement plans in the workplace through this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Luke F. Baum".

Luke F. Baum, CFP®, AIF®, CPFA
President & Chief Compliance Officer

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