



November 14, 2016

The Honorable James R. Renacci
U.S. House of Representatives
Washington, D.C. 20515-3516

Dear Congressman Renacci,

On behalf of Group Management Services, Inc., thank you for your leadership in your plan to cosponsor a bill to expand the use of multiple employer plans (MEPs) and to address liability concerns of all employers participating in a MEP (the "one bad apple rule"). Group Management Services, Inc., is a professional employer organization (PEO) in Ohio employing 18,000 persons, many of whom live in or around your district. As a PEO, Group Management Services has established a MEP in which many of its 917 small business clients in Ohio participate.

Cost, administrative complexity and liability concerns are three primary reasons that small employers hesitate in establishing a retirement savings plan for their employees. The Group Management MEP helps its participating small employer clients achieve efficiencies in all three areas. By addressing the "one bad apple" rule, your bill will additionally provide the Group Management MEP the comfort of knowing that non-compliance of one employer in the MEP will not cause the entire MEP to lose its qualified status. By now expanding the availability of MEPs to employers that are not in a PEO and do not otherwise have a common interest, your bill will incentivize other small employers to establish a retirement plan for their employees.

Thank you for all you are doing for Ohio small businesses.

Very truly,

E. Michael Kahoe
President