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Hatch Statement at Markup of Pension Bills

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a markup of two pension related bills, the Miners Protection Act of 2016 and the Retirement Enhancement and Savings Act of 2016:

Today the committee has before it a Chairman’s mark that includes the Miners Protection Act of 2016, as modified, as well as the Retirement Enhancement and Savings Act of 2016, as modified.

These are two important pieces of legislation. I’ll briefly address them in turn.

The first bill, once again, is the Miners Protection Act.

We’ve discussed this legislation in past Finance Committee hearings and markups. And, I know that a number of my colleagues – including members of the committee and the leadership in both parties – are interested in finding a solution to the pending crises in the United Mineworkers health and pension plans.

There is good reason for members to be concerned. After all, between the Obama Administration’s war on coal and declining economic conditions in a number of coal-mining regions in the U.S., the outlook for this pension plan and its beneficiaries is pretty bleak.

The bill before us today represents months of hard work and compromise on the part of members on both sides of the aisle.

As is the case with any major compromise, no one involved thinks the product is perfect. I certainly don’t support everything in this package. Though, I will note that there are number of praiseworthy elements of the bill, not the least of which is the fact that it is fully offset.

Still, given that so many members – including, once again, the Senate leaders in both parties – have a keen and intense interest in this matter, I want work with my colleagues,

despite my own concerns, to move the bill forward to be considered – and hopefully improved – in the remaining steps of the legislative process.

I want to thank my colleagues for their work on this legislation and their willingness to find bipartisan solutions.

The second bill before us today is, once again, the Retirement Enhancement and Savings Act of 2016. If enacted, this legislation would make some much needed changes to our nation's retirement system and address the priorities of a number of our members and their constituents.

As I've noted several times before the committee, the most important factor in determining whether workers will save adequately for retirement is their ability to participate in a retirement plan through their employer. This legislation will provide a number of options that will expand access to employer-sponsored retirement plans for workers in companies of all sizes. Among other things, the bill will enhance 401(k) retirement plans and make them more accessible by offering startup and automatic enrollment tax credits for small businesses.

It will also make some common-sense changes to Individual Retirement Accounts, or IRAs.

And, it will increase the portability of retirement plans and the reliability of lifetime income by making it easier for employers to offer annuity contracts – a form of life insurance – as part of their employee retirement benefits.

This provision – and others in the bill – is something I've been working on for some time. There are others whose work and priorities are reflected in this legislation, and I'd like to acknowledge their efforts here today.

Senator Enzi has been a leader in the effort to allow multiple employer plans to be open to participation by unrelated employers, otherwise known "Open MEPS," which is included in the modified mark. This has also been a priority of mine and many other members on both sides of the aisle.

Senators Grassley and Isakson have pushed hard for the Lifetime Income Safe Harbor provision, another item in the mark.

Senator Isakson has also led on the Lifetime Income Disclosure provision.

Senators Crapo and Roberts should be recognized for their work on the church related retirement plans that made it into the mark.

And, Senator Thune worked to ensure that we included his S Corporation IRA rule. Senator Burr, as always, has been a leader on issues related to the ABLE Act.

I also want to recognize Senator Toomey for his work with Senator Enzi on the 401(k) loan rules and acknowledge Senator Heller's leadership on his employee stock ownership bill.

Last, but certainly not least, I want to thank Senator Scott for his support for Open MEP.

All of these items are important and I want to thank my colleagues for their work in putting this legislation together and moving it forward.

I'd also like to let members know that Senator Wyden and I are prepared to approve for discharge four amendments that were filed to the Retirement Enhancement and Savings Act. Since these proposals weren't related to retirement security, we asked the Senators involved to work through the recently-developed bipartisan Finance Committee discharge process. The four amendments represent bills referred to this committee.

The first two were filed as Amendment 23, by Senators Burr and Casey, and Amendment 49, filed by Senators Casey, Burr, and Brown. These amendments improve ABLE Act accounts. Committee staff have worked with the member offices to ensure that the proposals are not controversial and fully offset and Senator Wyden and I have committed to work with our respective leaders in the Senate to discharge the committee and move these measures to the next stages in the legislative process.

There are two other amendments queued up for the discharge process, but they are awaiting scoring and analysis from the Joint Committee on Taxation. Those amendments are Amendment 21, filed by Senator Cornyn, relating to tax relief for Armed Forces members serving in Egypt, and Amendment 35, filed by Senators Cantwell, Crapo, and Thune, relating to tribal pension parity.

Senator Wyden and I will work with these members to complete the process to approve those measures for discharge.

Finally, before I conclude my remarks, I want to note that we received news this week that Marjorie Hoffman, a valuable and long-time staffer at the Joint Committee on Taxation, is retiring.

Those of us who have been on the Finance Committee for a while are well acquainted with Ms. Hoffman's efforts, and I know Tom Barthold – who is with us today – will definitely miss her services there at JCT.

I want to wish Marjorie the best of luck in all of her future endeavors and thank her for her years of service at JCT and to the Finance Committee.

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