



AN UPDATE FROM WASHINGTON

Washington Update

- **The Washington Environment**
 - Republican Government
 - The Trump Presidency
 - The Opposition
 - ‘Fake’ News
 - The Mueller Investigation
 - 2018 Election

Washington Update

■ Retirement Security Issues

- Tax Reform
- Public Employee Pension Transparency Act (PEPTA)
- Annuity Accumulation Plan
- Equal Treatment of Public Servants Act (WEP)
- Puerto Rico Financial Crisis
- Normal Retirement Age (Treasury)
- Definition of Government Employees (Treasury)
- Fiduciary Rule (Labor)
- State-Run Retirement Programs (Labor)
- *myRA* (Treasury)

Public Retirement Threats

The Anti-Defined Benefit Message –

- The cost of current DB plans is unsustainable;
- Plan liabilities are calculated using unrealistically high investment return assumptions and therefore systematically understate the cost of current pension promises; and
- Public employees should be afraid of “unrealistic and unaffordable pension promises.”
- A request for a Federal bailout is inevitable

Actuarial Standards Board – New Solvency Test

Tax Reform

- Tax reform vs. Tax cut
- Paying for reform/cuts
- Impact on retirement incentives
- ‘Rothification’
- Threat to Employer Pick-Up
- State and Local Tax Deductibility
- ‘UBIT’

Equal Treatment for Public Servants Act

■ WEP Reform

- Bipartisan WEP Repeal/Replace (Brady-Neal)
- Replaces arbitrary formula with actual earnings based formula
- Cost-neutral – winners and losers
- Now or never? Current challenges...
- GPO?

■ Social Security...

- Mandatory Coverage

Health Care – Financial Reform

■ Health Care

- Repeal and Replace Failure
- Trump Executive Actions
- Possible Congressional Response
- Uncertain Marketplace
- Opportunities

■ Financial Reform

- Rollback of Dodd-Frank Reforms

Your Critical Role

- Maintain the trust and confidence of your members and their employers
- Be proactive – don't wait until the battle is on your doorstep
- Education is key – establish the facts
- Define the real problem... retirement security
- Respond when necessary

Questions

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