

IAA ADVISER ADVOCACY DAY

THURSDAY, JUNE 10, 2021 • VIRTUAL EVENT

Making Advisers' Voices Heard on Capitol Hill

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Retirement Savings/Tax

The U.S. retirement system faces major challenges. Workers and retirees are now largely on their own in making investment decisions and planning for their futures, making the need for fiduciary advice from investment advisers even more crucial.

Retirement Savings

Changes to tax law are needed to ensure a secure and adequate retirement for all Americans. We strongly support tax policy that bolsters Americans' ability to save and invest for retirement, including efforts to increase participation in the retirement system by expanding access to retirement plans.

We strongly support passage of the bipartisan **SECURE Act 2.0 legislation** (H.R. 2954) recently approved by the House Ways & Means Committee. Among other things, it would increase the age for RMDs from 72 to 75, allow 403(b) plans to invest in CITs, and increase catch-up provisions. And Senators Cardin and Portman have introduced a similar bill (S. 1770) that also includes new tax incentives to companies that offer retirement plans to employees and expands a credit for lower-income taxpayers who contribute to their retirement. Congress should act swiftly to enact this bipartisan legislation. In doing so, we urge Congress to maintain the DOL's existing requirements permitting electronic delivery of statements for retirement plans.

Tax

We believe that Congress should **restore and expand the deductibility of advisory fees** as an itemized deduction to incentivize taxpayers to seek advice about saving for retirement. Congress recognized the value of professional investment advice by providing a limited tax deduction for those services, but it was repealed in 2017 as part of the Tax Cuts and Jobs Act (TCJA). Congress should now restore the tax deduction for investment advisory fees, deleting the two percent Adjusted Gross Income (AGI) threshold that was part of it. This threshold, which permitted tax deductions only to the extent they exceeded two percent of a taxpayer's AGI, unfairly narrowed the benefit to upper-income households. All taxpayers should obtain the critical financial advice they need now and we strongly support efforts to make this deduction available to all American households regardless of income.

In addition, we believe that Congress should revise the broad exclusion for service businesses from the **20 percent pass-through deduction** created by the TCJA as it unfairly disadvantages investment advisory firms.

We are strongly opposed to a **Financial Transaction Tax (FTT)** because of the unfair financial burden it would impose on investors, retirement savers, and the securities markets.

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