

News

Kreps Discusses Potential Impacts on Retirement Plans Under Trump Administration with PLANSPONSOR

ATTORNEYS & PROFESSIONALS

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Groom principal [Michael Kreps](#), chair of the firm's [Retirement Services](#) group, was featured in the *PLANSPONSOR* article, "Another Trump Term May Change Tax Treatment of Retirement Plans," where he explored potential impacts on retirement plans under a new presidential administration.

According to *PLANSPONSOR*, Kreps stated that "While Republicans have secured control of the Senate and may yet retain control of the House of Representatives... leadership will likely prioritize tax legislation. Large portions of 2017's Tax Cuts and Jobs Act are set to expire, and... there are already discussions about how to extend the law's provisions." The platform further reported that, according to Kreps, "Congress will want to pay for at least a portion of the cost of those extensions, which means coming up with trillions of dollars of offsets."

"There should be no question that the tax incentive for retirement savings is at risk," Kreps said. "People forget that we narrowly avoided 'Rothification'—meaning mandatory Roth deferrals—in 2017. Members of Congress will say they support the retirement system, and they do, but when push comes to shove, someone's ox will have to be gored if they want to pay for extending the tax cuts."

PLANSPONSOR reported that Kreps added that "It is difficult to predict what to expect from a Trump administration, because little is known about the administration's retirement priorities."

"There are plenty of policy proposals out there from Trump-aligned organizations, including Project 2025, and most of those proposals are consistent with longstanding Republican policy positions," said Kreps. "However, the big takeaway from the first Trump administration was just how unpredictable things [were]... In my view, the big question for a Trump [Department of Labor] is whether there will be a change in how the agency works with the regulated community."

According to *PLANSPONSOR*, Kreps said that "there was a shift in enforcement and regulatory approach at the DOL early in the administration of former President Barack Obama, as it prioritized creating policy through enforcement and 'big ticket regulatory initiatives,' such as the fiduciary rule, while avoiding industry engagement on sub-regulatory guidance like advisory and individual prohibited transaction exemptions... This approach largely stayed the same through the terms of Trump and President Joe Biden."

“I think it’s fair to say that DOL’s relationship with the retirement industry is more adversarial than it was for the first 35 years of [the Employee Retirement Income Security Act],” Kreps said. “We will have to see whether that continues in 2025 or whether new political leadership will try to make some fundamental changes at the agency.”

The platform reported that Kreps added that “Representative Virginia Foxx, R-North Carolina—the chair of the U.S. House Committee on Education and the Workforce—has repeatedly expressed concerns with the DOL’s tactics.”

To read the article, [click here](#).