

## News

# PLANADVISER Features Winters on DC Qualified Plans

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Groom principal and chair of the firm's policy group, [Brigen Winters](#), was quoted by *PLANADVISER* in the article, "Past Proposals to Tax Qualified Retirement Plans Have Never Gotten Far," where he covered the preferred status of DC qualified retirement plans.

Regarding proposals to modify the tax status of DC plans, *PLANADVISER* reported that Winters said that "an advocacy that pushed back against the 2017 proposals, some lawmakers wanted to push more savings into after-tax Roth source accounts, so the money saved would be taxed up front to raise more short-term tax revenue."

The outlet noted that, according to Winters, "Some lawmakers proposed limiting traditional pre-tax contributions to less than Roth contribution or requiring that at least 50% of employee contributions be made on an after-tax basis."

The outlet further reported that Winters said that "these proposals were partially designed to satisfy Congressional budget scoring rules, which evaluate the cost of all federal spending bills based on their impact on federal revenues in a 10-year window from the date of enactment. Since traditional contributions are pre-tax and Roth post-tax, Roth contributions generate more tax revenue within the 10-year window than traditional pre-tax contributions. In reality, traditional contributions are merely tax-deferred, so they are taxed as income when they are withdrawn from the retirement account, whereas the earnings in a Roth account are tax-exempt."

*PLANADVISER* wrote that "the so-called 'Rothification' proposals such as these faced industry resistance because the short-term tax incentive makes it easier for many to save for retirement. The Rothification proposals "never got very far," said Winters.

The outlet noted that Winters continued, saying that "the perception that Roth accounts generate more federal tax revenue than traditional accounts is misleading, and some lawmakers have caught on and proposed either taxing the interest on large Roth balances or compelling distributions from them. These proposals also have not advanced into legislation.

The outlet further noted that "there was an echo of this Rothification debate during discussions ahead of passage of the SECURE 2.0 Act of 2022... That industry did not push back because the legislation, as a whole, was very popular with groups in the retirement industry," according to Winters.

*PLANSADVISER* wrote that Winters said that “Camp’s 2014 proposal to de-index contribution limits from inflation for a limited period of time came up again in 2017 during discussion of the Tax Cuts and Jobs Act. Once again, it was resisted and defeated by industry.”

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