

**CONCORDIA  
PLAN SERVICES**   
*Your LCMS Benefits Partner*

November 30, 2018

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
H-232 The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
H-204 The Capitol  
Washington, DC 20515

The Honorable Kevin Brady  
Chairman  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Committee on Ways and Means  
1139E Longworth House Office Building  
Washington, DC 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Brady and Ranking Member Neal:

On behalf of Concordia Plan Services of The Lutheran Church—Missouri Synod, I write to request your assistance on resolving a critical and urgent issue facing employees in church 403(b)(9) retirement plans. For many clergy and lay employees at churches and church-affiliated ministries, such plans are their main or only type of retirement savings.

A recent IRS interpretation has created uncertainty around the availability of such plans to employees of certain church-affiliated ministries, like nursing homes, children's homes, and community services organizations. This interpretation conflicts with the applicable statute and over thirty years of precedent, and severely constrains the retirement savings options available to men and women who have devoted their lives to advancing the missions of these church-affiliated ministries.

Church 403(b)(9) retirement plans offer a number of important features – among them, the ability to select socially-screened investment products and the option to annuitize retirement benefits within these plans. Broad participation in church 403(b)(9) plans among employees of church-affiliated ministries also creates economies of scale that are essential for cost-effective investment management. The IRS interpretation would foreclose the benefits of church 403(b)(9) plans for hundreds of thousands of employees, and lead to increased costs for such employees.

There is an urgent need to address this issue. Not only has the IRS interpretation raised questions about the continued ability of over 1,400 church-affiliated ministries to participate in church 403(b)(9) plans, church-affiliated ministries seeking to join their church's 403(b)(9) plan have

been prevented from doing so. This is putting at risk the retirement security of individuals who are serving their communities all across the nation.

We are incredibly grateful that addressing this issue has been the subject of well-vetted, broadly supported, bipartisan legislation in both the House (H.R. 2341, led by Representatives Roskam and Kind) and the Senate (S. 674, led by Senators Cardin, Roberts, and Crapo). Such legislation has advanced in the House as part of the Family Savings Act, and has been introduced in the Senate as part of the Retirement Enhancement and Savings Act and in the House as part of H.R. 88. We are also appreciative of Chairman Brady's efforts—via a House Rules Committee manager's amendment—to correct an inadvertent drafting issue related to the effective date.

I commend your work to date to enact this clarification for America's church benefits community and respectfully urge that the 403(b)(9) issue be broadly supported on the House floor and enacted as part of year-end legislation. This will ensure relief not only for the individuals served by Concordia Plan Services, but more broadly, for the employees of ministries nationwide that participate in 403(b)(9) retirement plans.

On behalf of participants in the Concordia Plans, I thank you for your consideration of and attention to these important matters. Because of your leadership, we are closer than ever before to ensuring that employees of church-affiliated ministries can continue to enjoy the retirement options that they deserve.

Sincerely yours,

Mr. James F. (Jim) Sanft  
President and Chief Executive Officer