



July 20, 2022

The Honorable Richard E. Neal
Chairman
House Committee on Ways and Means
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
Washington, DC 20515

The Honorable Bobby Scott
Chairman
House Committee on Education and Labor
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
House Committee on Education and Labor
Washington, DC 20515

Re: Bipartisan Retirement Bill Language to Permanently Remove Financial Penalties for Individuals Impacted by Natural Disasters

Dear Chairman Neal, Ranking Member Brady, Chairman Scott, and Ranking Member Foxx:

The American Institute of CPAs (AICPA) thanks you for your continuing leadership on H.R. 2954, the House-passed Securing a Strong Retirement Act of 2022 (SSRA or SECURE 2.0). This follow-up legislation to the Setting Every Community Up for Retirement Enhancement (SECURE) Act should help improve small businesses' ability to offer workplace retirement plans to employees and strengthen more Americans' retirement security. As trusted advisors to individuals and small business, our profession stands ready to help clients understand how SSRA provisions will impact tax, financial, and retirement planning strategies.

As you work with your Senate counterparts to reach agreement on a final version of a bipartisan retirement package, we respectfully request that you include an important disaster relief provision that is in the Enhancing American Retirement Now (EARN) Act. This provision, which is a modified version of the AICPA-endorsed Disaster Retirement Savings Act (H.R. 6241 / S. 2583), would allow individuals affected by natural disasters to withdraw up to \$22,000 from qualified retirement accounts without being assessed early-withdrawal penalties and fees. Allowing natural disaster victims to tap into their own funds to cover unexpected expenses associated with those disasters removes an unnecessary burden while they wait for government assistance and insurance reimbursements that may not be immediately forthcoming.

Natural disasters such as hurricanes, floods, tornados, wildfires, and heat waves regularly affect the Nation at all times of the year, but the current system does not provide fair and reliable tax assistance for disaster victims.

For many years, the AICPA has urged Congress to enact permanent tax legislation that would take effect immediately when a declaration of a federal disaster occurs, rather than providing

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delayed tax relief through separate individual bills following each disaster. This particular proposal could help homeowners and business owners alike with the expensive and often long process of recovery.

The AICPA would like to especially thank Senator Bob Menendez, Senator Bill Cassidy, Representative Mike Thompson, and Representative Mike Kelly for their strong support of the Disaster Retirement Savings Act. We believe the related provision in the EARN Act would provide significant relief to victims of natural disasters and hope to see it included in any final retirement bill. If you have any questions, please feel free to contact Lauren Pflugstag, Director – AICPA Congressional and Political Affairs, at Lauren.Pflugstag@aicpa-cima.com, or me at JanLewis@HaddoxReid.com.

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The AICPA is the world's largest member association representing the CPA profession, with more than 421,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan F. Lewis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jan F. Lewis, CPA
Chair, AICPA Tax Executive Committee

Cc: Members of the U.S. Senate Committee on Finance
Members of the U.S. House Committee on Ways and Means
Members of the U.S. Senate Committee on Health, Education, Labor and Pensions
Members of the U.S. House Committee on Education and Labor