

PACREPORT

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Congressional attention to retirement legislative issues in 2007 is as intense—although different—as it was in 2006 when the Pension Protection Act of 2006 (PPA) was enacted. In addition, some lawmakers who are scrutinizing pension issues are, in many instances, new to the pension arena. Thus, they are in particular need of the valuable expertise that ASPPA (and only ASPPA) can bring to the table. That means the role of the ASPPA Political Action Committee (PAC) is more vital than ever. And that means your support of the ASPPA PAC is even more crucial than it has been over the past few years.

In 2006, ASPPA PAC contributed \$87,414 to key lawmakers, whose support on pension issues significantly impact our clients and our businesses. As of June 30, 2007, ASPPA PAC has contributed \$45,899. Our goal is to contribute significantly more to key members of the House and to key Senators in the remainder of 2007. That means the PAC must continue to retain that level of financial support—or more—from our dedicated and generous ASPPA members.

We are working toward increasing both the number of ASPPA members who join (support) the PAC, and the level of support given to the PAC by its committed members. This is an important two-pronged program. Depth of support, helps define ASPPA PAC's strength and credibility. Level of support, as measured by the amount of money raised by the PAC and available to contribute to key lawmakers, determines how many key lawmakers the PAC can support and to what degree.

You might think that enactment of the PPA means a hiatus in the need for participation in the legislative process. Nothing could be further from the truth. New issues are developing each day. Most recently, Congress held hearings on the fees charged by 401(k) plans to their participants, and whether those fees are adequately disclosed to plan participants. This has sparked new interest among lawmakers in the pension arena. Consequently, ASPPA must educate a dramatically increased number of Congressional members and their staffs. The goodwill generated by the ASPPA PAC provides ASPPA's Government Affairs personnel with favorable opportunities to conduct this education effort.

Another key area where ASPPA and ASPPA PAC will play crucial roles is the development of PPA corrective legislation—both technical (e.g., ensuring a correction to statutory language to make clear the error in Treasury Notice 2007-28, which incorrectly applies the PPA's repeal of the combined plan limit to only the DC portion of a combined plan); and substantive (e.g., eliminating the "corridor" element

of the provision that allows use of a 5.5 percent rate in calculating the 415 limit for lump sum payments). These legislative activities are ongoing and will continue for months to come.

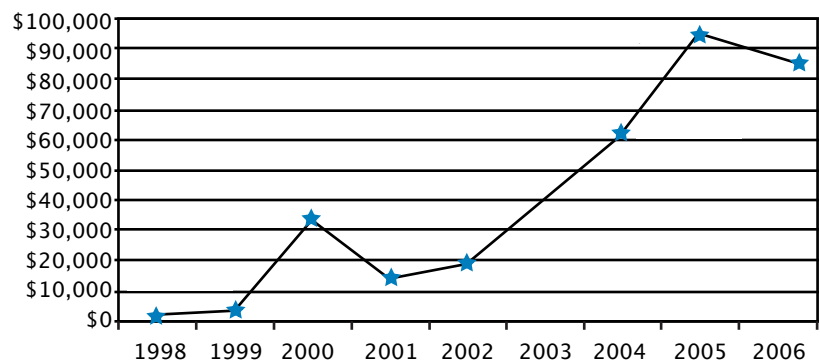
In addition, legislation has been introduced on mandatory payroll deduction IRAs, tax incentives for lifetime payments from both qualified and nonqualified annuities, as well as on several small business and women's pension issues. While this legislation appears more long-term in its prospects, the need to educate lawmakers exists now and will continue.

In addition, ASPPA is continuously on guard against adverse pension proposals that may develop in the context of "tax reform." This could happen as Congress tries to craft a revenue-neutral, permanent solution to the alternative minimum tax (AMT) problem. It has been suggested that it will cost at least \$1 trillion over 10 years to reform the AMT, and some \$50 billion per year to "fix" it. This level of need for revenue puts at risk any preferential tax treatment. And even though the favorable tax treatment enjoyed by qualified retirement plans has not yet been mentioned as a target, "everything" may be on the table as the "redirecting" of tax benefits and revenue begins.

Thanks in large part to the influence of ASPPA and the support provided by ASPPA PAC, most lawmakers have retirement security high on their priority lists. ASPPA assists them with acquiring the substantive, in-depth knowledge needed to best achieve the retirement security that they find so important. ASPPA personnel—buoyed by PAC support—play a key role in making sure retirement savings incentives are fair, equally available to small as well as large plan sponsors, applicable to all kinds of plan designs, and for the benefit of all plan participants (whether rank and file or highly paid).

ASPPA and ASPPA PAC have a proud track record of success in the legislative arena, and we deeply appreciate your support. We promise continued intensive—and successful—efforts on your behalf in the year to come.

ASPPA PAC Historical Distributions



In 2006, the ASPPA PAC contributed \$87,414 to 35 congressional campaigns and committees - \$51,500 to Republicans and \$35,914 to Democrats. Of that total, \$48,914 was contributed to House members and \$38,500 to Senators. Below is a summary of to whom and why ASPPA PAC made its contributions.

HOUSE OF REPRESENTATIVES

Rep. Andrews (D-NJ) \$2,471

Rob Andrews has been extremely supportive of ASPPA and, as the chairman of the Education and Labor Committee's Subcommittee on Health, Employment, Labor and Pensions, has significant influence on ERISA-related pension issues.

Rep. Bean (D-IL) \$1,000

Melissa Bean, as chairwoman of the House Small Business Committee's Finance and Tax Subcommittee, is particularly concerned about how legislation will impact small businesses. This interest and concern translated into help for ASPPA members' small business clients during the pendency of pension legislation, including the PPA.

Rep. Boehner (R-OH) \$1,500

John Boehner, House Minority Leader, was chairman of the House Education and Labor Committee at the time the PPA was written. He was one of the key players in the crafting of that important legislation.

Rep. Brady (R-TX) \$1,000

Kevin Brady serves on the House Committee on Ways and Means, arguably one of the two committees with the most influence over the pension legislation that is so important to ASPPA members and their clients.

Rep. Hayworth (R-AZ) \$1,000

JD Hayworth lost his reelection bid in November, 2006. However, during the time he served in the 109th (and earlier) Congress, he took an active role in making sure pension legislation was fair and beneficial to small business plan sponsors. He served on the House Ways & Means Committee.

Rep. Jindal (R-LA) \$1,000

Last Congress, Bobby Jindal focused much of his energy on winning federal support for rebuilding the Hurricane-ravished New Orleans, particularly with respect to recovery for small business. He supported a number of issues important to small business plans. Currently, he is running for governor of Louisiana.

Rep. Miller (D-CA) \$2,000

As Chairman of the House Committee on Education and Labor, George Miller has listened with interest to ASPPA's views on the 401(k) fee disclosure debate and is a proponent of fair reporting rules for both bundled and unbundled service providers. The Education and Labor Committee has

jurisdiction over ERISA-related pension issues and thus Rep. Miller is in a particularly influential position with respect to key retirement issues that impact ASPPA members.

Rep. Neal (D-MA) \$1,000

Richard Neal, currently chairman of the Ways & Means Committee's Select Revenue Measures Subcommittee, has helped ASPPA frequently over the years. He was particularly helpful with winning a 5.5 percent rate for use in calculating section 415 limits on lump sum payments. His subcommittee has jurisdiction over pension tax issues.

Rep. Pomeroy (D-ND) \$3,000

Earl Pomeroy serves on the House Ways and Means Committee. He has a particular interest in and considerable knowledge about pension issues, and is especially interested in tax incentives for lifetime payments from qualified plans.

Rep. Putnam (R-FL) \$1,000

Adam Putnam is chairman of the House Republican Conference, and thus the number four person in the House GOP leadership. He has frequently intervened in pension legislation to make sure small business pension plan sponsors are treated equitably under pension laws.

Leadership PACs:

A leadership PAC is a political action committee that can be established by a member of Congress to support other candidates. The funds cannot be spent to directly support the owner of the PAC's own campaign (such as mail or ads), but may fund travel and make contributions to other campaigns. One of the most effective ways to help lawmakers who help ASPPA is to support their leadership PACs. ASPPA has begun to participate in this "layer" of political involvement. Below is a summary of ASPPA PAC's leadership PAC contributions in 2006.

Committee for the Preservation of Capitalism--Rep. McCrery (R-LA), \$5,000

Jim McCrery is the ranking member of the House Ways & Means Committee. In this position he has significant influence over the GOP response to developing pension legislation. He participates in the crafting of pension bills, and works closely with the committee's chairman, Rep. Charles Rangel (D-NY). He has shown consistent concern for the particular issues that impact small business plan sponsors.

Congressional Majority--Rep. Thomas (R-CA), \$2,000

Bill Thomas, the now-retired former chairman of the House Ways & Means Committee, was among the most influential lawmakers on pension legislation generally, and the PPA in particular.

Every Rep is Crucial-- Rep. Cantor (R-VA), \$3,000

Eric Cantor, a member of the Ways & Means Committee, is also the House GOP's chief deputy whip, and thus a member of its leadership. Rep. Cantor has demonstrated consistent interest in championing the causes of small business pension plan sponsors.

The Freedom Project--Rep. Boehner (R-OH), \$5,000

Support for the leadership PAC of the then-chairman of the House Education and Labor

Committee was the best way ASPPA PAC could help a lawmaker who not only watched out for the interests of small business pension plan sponsors, but also was in a position to have significant influence on those issues.

National Leadership PAC--Rep. Rangel (D-NY), \$1,000

Rep. Rangel, then the ranking member on the Ways & Means Committee, is now Chairman of that powerful tax committee. Support for his leadership PAC was the best way to thank him for helping small business pension plan sponsors.

NODAK PAC--Rep. Pomeroy (D-ND), \$2,500

Support for Earl Pomeroy's leadership PAC demonstrated ASPPA PAC's commitment to a lawmaker who makes pension issues—particularly those that impact small business plan sponsors—among his top priorities.

Red PAC, Rep. Putnam (R-FL) -- \$5,000

Adam Putnam repeatedly went out of his way to help ASPPA help its members with their small business plan clients. An up-and-coming young lawmaker who wields substantial influence among his colleagues, Rep. Putnam rated one of the highest levels of support given by ASPPA PAC.

National Republican Congressional Committee (NRCC)--\$10,000

Support for the party committee in charge of all House Republican election matters means access to speakers, party meetings and strategy sessions, and a "seat at the table" in the development of House Republican legislative initiatives.

SENATE

Sen. Bingaman (D-NM) \$3,000

Jeff Bingaman is a Senator with unique influence on and interest in pension issues. As a member of both the Finance and the Health, Education, Labor and Pensions (HELP) Committees, Sen. Bingaman was also tapped by Senate Democratic leadership to lead the Senate Democrats' pension caucus. He has been enormously helpful in regard to the interests of small business retirement plan issues.

Sen. Burr (R-NC) \$500

Richard Burr is the GOP's ranking member on the HELP Committee's Retirement and Aging Subcommittee. From this spot, he has considerable influence over ERISA-related retirement issues.

Sen. Cardin (D-MD) \$3,000

Ben Cardin (of "Portman-Cardin" fame) has been a key, lead player in the development of pension legislation for years. Last year, he ran for (and won) a seat in the Senate. Before winning his Senate seat, he served on the House Ways & Means Committee, and arguable was one of the two most influential lawmakers in the development of pension legislation.

Sen. Conrad (D-ND) \$2,000

Kent Conrad, a member of the Senate Finance Committee, is one of five to six key Senators who have made pension legislation a top priority. Sen. Conrad is particularly interested in small business, women's and lifetime annuitization issues.

Sen. DeWine (R-OH) \$1,000

Mike DeWine lost his bid for reelection in 2006, but

before losing his Senate seat, he played a key role in the development of the PPA from his seat on the Senate HELP Committee.

Sen. Enzi (R-WY) \$1,000

Mike Enzi, the ranking member of the Senate HELP Committee, was among the architects of the PPA and continues to play an influential role in the development of pension legislation, including technical (and other) corrections to the PPA.

Sen. Lieberman (D-CT) \$2,500

Joseph Lieberman, a Democrat whose conservative views on some issues have resulted in his sometimes serving as a bridge between Senate Democrats and Republicans, has a long history of support for small businesses.

Sen. Pryor (D-AR) \$1,000

Mark Pryor has an impressive record of helping ASPPA achieve its legislative goals, even without serving on a committee of jurisdiction. He helps because he cares about small businesses and their workers' retirement security.

Sen. Smith (R-OR) \$2,500

Gordon Senator Smith is the ranking member of the Senate's Special Committee on Aging. He has authored a pension bill aimed at improving pension rules, especially tax rules, for women and small business workers. He is also a particular champion of tax incentives to encourage lifetime payouts from nonqualified and qualified plan annuities.

Sen. Snowe (R-ME) \$2,000

Olympia Snowe, a member of the Senate Committee on Finance, has been an influential player in small business pension plan issues.

Sen. Thomas (R-WY) \$2,000

Sadly, Craig Thomas, a former member of the Senate Finance Committee, died of leukemia in May of 2007. His championship of small business, including pension issues, will be sorely missed.

LEADERSHIP PACS

Glacier PAC--Senator Baucus (D-MT), \$5,000

Max Baucus was ranking member of the Finance Committee last Congress, and is currently that powerful committee's chairman. He is a champion of small business pension plan issues—and the best way to support this key lawmaker is through support of his leadership PAC.

Hawkeye PAC--Senator Voinovich (R-OH), \$1,000

George Voinovich is a member of the Senate Finance Committee, a deficit hawk, and an influential champion of small business pension plan sponsors.

Impact America--Senator Smith (R-OR), \$5,000

Gordon Smith is among the Senate Finance and Small Business Committees' strongest champions of small business pension plan sponsors. He most appreciates support for his leadership PAC.

Making Business Excel--Senator Enzi (R-WY), \$1,000

Mike Enzi's leadership PAC earned the support of the ASPPA PAC by virtue of Senator Enzi's continued and strong championship of small business pension plan sponsors.

Rocky Mountain PAC--Senator Salazar (D-CO), \$1,000

Ken Salazar is a new member of the Senate Finance Committee, which has jurisdiction over pension tax issues. Sen. Salazar requested ASPPA PAC support via his leadership PAC.

Democratic Senatorial Campaign Committee (DSCC)--\$5,000

Support for the committee that focuses on the campaigns of all Senate Democrats—incumbants, challengers and hopefuls in open seats—means a "seat at the table" for ASPPA during development of Senate Democratic Caucus pension initiatives.

2007 DISTRIBUTIONS

So far in 2007, ASPPA PAC has contributed \$45,899 to 19 congressional campaigns and committees-- \$11,000 to Republicans and \$34,899 to Democrats. ASPPA PAC contributed \$22,649 to House members and \$23,250 to Senators. Many of the recipients of ASPPA PAC support in 2007 are highlighted above in the report for contributions during 2006; for those recipients, we say "see above" under their name and contribution notation.

HOUSE OF REPRESENTATIVES

Rep. Andrews (D-NJ) \$4,649
See above

Rep. Bean (D-IL) \$2,500
See above

Rep. English (D-PA) \$1,000
Phil English, a member of the Ways & Means Committee, is committed to equitable pension legislation as it impacts on small business pension plan sponsors. He is the ranking member of the Subcommittee on Select Revenue Measures, the subcommittee with jurisdiction over pension issues, and thus has significant influence on developing pension legislation.

Rep. Grijalva (D-AZ) \$1,000
Raul Grijalva is a member of the House Committee on Education and Labor, the committee with jurisdiction over ERISA-related pension issues. He has demonstrated interest in championing the cause of the small business pension plan sponsor.

Rep. Keller (R-FL) \$1,000
Ric Keller, a member of the House Education and Labor Committee, has demonstrated interest in championing the cause of the small business pension plan sponsor.

Rep. Larson (D-CT) \$1,000
John Larson, a member of the Ways & Means Committee and also part of the House Democrats' leadership team (vice chairman of the Democratic Caucus), serves on the Ways & Means Committee's Subcommittee on Select Revenue Measures, the subcommittee with jurisdiction over pension tax issues. He has reached out to ASPPA to find ways to help small business pension plan sponsors.

Rep. Neal (D-MA) \$2,000
See above

Rep. Pascrell (D-NJ) \$1,000
Bill Pascrell, a new member of the Ways & Means Committee, has expressed interest in helping small business pension plan sponsors.

Rep. Pomeroy (D-ND) \$3,500
See above

Rep. Putnam (R-FL) \$3,000
See above

Rep. Rangel (D-NY) \$3,000
See above

Rep. Tiberi (R-OH) \$1,000
Pat Tiberi, currently serving on the House Ways & Means Committee, last year served on the House Education & Labor Committee. Thus, Rep. Tiberi has a unique blend of expertise in both ERISA-related and tax pension issues.

SENATE

Senator Baucus (D-MT) \$1,250
As chairman of the Finance Committee, Senator Baucus is an important and powerful proponent of retirement related tax incentives. ASPPA enjoys a close working relationship with this influential lawmaker, who has consistently demonstrated his commitment to the welfare of small business pension plan sponsors and small business workers.



January 27, 2007 – Former ASPPA President Steve Rosen, MSPA, CPC, Rep. Rob Andrews (D-NJ) and Teresa Bloom, APM, at an Andrews fundraiser.

Senator Cardin (D-MD) \$1,000
See above

Senator Grassley (D-IA) \$1,000
Sen. Grassley is the ranking member of the Finance committee, the committee that has jurisdiction over all tax issues (including retirement plans) as well as Social Security. No bill that deals with these issues can pass the Senate without going through this committee. Senator Grassley has a very close working relationship with Senator Baucus, and is a champion of small business pension plan sponsors and workers.

Baucus Johnson Victory Fund (D) \$2,500
See above (Senator Baucus)

DAKPAC--Senator Conrad (D-ND) \$2,500
See above

Glacier PAC--Senator Baucus (D-ND) \$5,000
See above

Impact America--Senator Smith (R-OR) \$5,000
See above

Rocky Mountain PAC--Senator Salazar \$5,000
See above

Year 2006 ASPPA PAC Figures

Closing cash balance 12/31/06.....\$160,628.20
Contributions from ASPPA members.....\$80,929.70
Distributions to members of Congress.....\$87,415
Expenses.....\$4,272.79
Number of contributors.....373

Year 2005 ASPPA PAC Figures

Closing cash balance 12/31/05.....\$172,110.89
Contributions from ASPPA members.....\$84,236.78
Distributions to members of Congress.....\$96,003
Expenses.....\$3,343.03
Number of contributors.....360



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Enroll me as part of the ASPPA PAC team!

Suggested Contribution Levels

Presidents Club	\$5,000 (to be paid within five years)	Member	\$100 to \$499
Founders Club	\$1,000 (to be paid within two years)	Associate	\$50 to \$99
Leaders Club	\$ 500 to \$999		

Amount \$ _____

Contribution

Payment:

Personal Check (payable to ASPPA PAC)

Visa

MC

Amex

Expiration Date: _____

Signature: _____

PLEDGE I pledge \$ _____ to be paid in (#) _____ payments within _____ year(s).

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

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