

# NEWS RELEASE



## American Society of Pension Professionals & Actuaries

### FOR IMMEDIATE RELEASE

March 8, 2010

### Contact:

Melinda Semadeni

[msemadeni@asppa.org](mailto:msemadeni@asppa.org)  
(703) 516-9300

## ASPPA Lauds Senate for Adopting Roth Conversion Proposal *Proposal Permits Roth Conversion within 401(k) Plans*

ARLINGTON, VA (March 8, 2010)—*The following is a statement from Brian Graff, Executive Director/CEO of The American Society of Pension Professionals & Actuaries (ASPPA) in response to adoption by unanimous consent of an amendment that would allow distributable 401(k) account balances to be converted to Roth accounts within the 401(k) plan.*

“With tax season in full swing, many Americans are discussing next steps with their tax advisor. One of the options that enjoys special treatment this year is converting existing tax-deferred retirement savings to a Roth account. Thanks to a new provision in legislation being considered by the Senate, workers may not have to give up the advantages of an ERISA 401(k) plan to take advantage of the special 2010 Roth conversion rules.

Under current law, the conversion to a Roth account is only available using a Roth IRA. Income tax usually would have to be paid in the year of conversion, but a special rule allows tax on amounts converted in 2010 to be deferred until 2011 and 2012. The new provision simply allows a 401(k) plan to provide for Roth conversions within the 401(k) plan so participants can take advantage of Roth conversion rules without forfeiting the protection and advantages of holding savings in an employer-sponsored retirement program.

Without this proposal, many plans were considering changes that would make it easier for workers to take their retirement assets out of the plan. ASPPA was very concerned about the potential for leakage out of retirement accounts for workers who had no intention of converting to a Roth account.

ASPPA has worked closely with Senators Baucus and Grassley on this legislation and applaud them for recognizing how this key change will help preserve retirement savings. We urge the Senate to move forward with the Baucus substitute to H.R. 4123.”

###

**About ASPPA:** The American Society of Pension Professionals & Actuaries (ASPPA) is a national organization of more than 7,000 retirement plan and benefits professionals that serves as the educator, voice, and advocate for the employer-based retirement system. ASPPA members are administrators, actuaries, advisors, attorneys, accountants, and other financial services professionals who provide consulting and administrative services for qualified retirement plans. [www.asppa.org](http://www.asppa.org)

4245 North Fairfax Drive, Suite 750 · Arlington, VA 22203-1648

P. 703.516.9300 · F. 703.516.9308 · [www.asppa.org](http://www.asppa.org)