



Resolution 19-13

For

MNGEA / EANGUS Resolutions Process

Date: 22 April 2019

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Category- Joint

Type Resolution - Re-submission

Relating To – Reserve Component Service Member Thrift Savings Plan (TSP) Improvement Act

SHORT DESCRIPTION: Current tax law limits annual contributions to TSP accounts to a dollar amount which might penalize future reserve component service members who also contribute to a civilian employer provided 401k style retirement plan.

BUSINESS CASE: Beginning in 2018, individuals entering the National Guard will receive government-matched retirement contributions in their Thrift Savings Plan (TSP) accounts. Current tax code limits all individuals under the age of 55 to contributing \$18,000 toward their retirement each year. Future members of the National Guard, who max out their employer-contributed retirement account, could lose out on their government-matched TSP accounts. EAANG strongly supports HR 4381- Service member Retirement Improvement Act, introduced by Representative Sam Johnson (R-TX). This bill would stop the IRS from stifling Guard or Reserve service members' ability to save for their retirement. This bill would give Reserve Component service members the opportunity to fully participate in the military TSP part of the new blended retirement without compromising both their civilian and military retirement plans. HR 4381 would allow members of the National Guard to max out their employer-contributed retirement account and their government-matched TSP account. It is important to remember the Military Compensation and Retirement Modernization Commission, which proposed a blended retirement entitlement, did not intend for Guard and Reserve members to lose benefits. We believe the bill will encourage Guard, and Reserve members to contribute to their military TSP plan and prevent a negative impact to recruiting and retention.

RECOMMENDATION: The Enlisted Association of the National Guard of the United States urges Congress to support legislation similar to HR 4381 that would increase the limitations on TSP/401K type contributions for Guardsmen, thus allowing them to utilize their full civilian sponsored retirement plan as well as their military retirement benefit.

Resolution #: 19-13 Date Rec'd: _____ Disposition: recommend adoption