



## Government Relations Update



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# ESOPs: Next Month, Next Year? What? DOL? Tax Reform? Game Plan?



## Government Relations Update

### Part I



## Government Relations Update

### Department of Labor

- Long history of negativism for ESOPs: Why?
- Secretary Acosta: ESOPs??? No Matter?
- Win: Congress—more later



## Government Relations Update

### Tax Reform

- Direct—No Details
- Fear: No DC plans except for Roth IRAs



## Government Relations Update

### **Pro-ESOP Proposals H.R. 2092, S. 1589**

- Encourages owners of S Corps to sell stock to ESOPs
- Expands financing opportunities for S Corp ESOPs
- Provides technical assistance for companies that may be interested in forming an S Corp ESOP
- Ensures businesses that become ESOPs retain SBA certification



## Government Relations Update

### **Pro-ESOP Proposals H.R. 2092, S. 1589**

- Influential support—so far, eight members of House Ways and Means Committee
- Bipartisan support—both Democrats and Republicans



## Government Relations Update

### **Pro-ESOP Proposal H.R. 2092**

- 39 Sponsors (as of 9/19)
  - We need 61 more!
- 11 of the 40 Members of the Ways and Means Committee
  - We need 16 more!
  - 14 not currently sponsors but did sponsor same bill last Congress



## Government Relations Update

### **Pro-ESOP Proposal S. 1589**

- 25 Sponsors (as of 9/14)
  - We need 25 more!
- 12 of the 26 Members of the Senate Finance Committee
  - We need 5 more!
  - 6 not currently sponsors but did sponsor same bill last Congress



## Government Relations Update

### **Alaska H.R. 2092 Sponsors**

- None



## Government Relations Update

### **Alaska House ESOP Advocates**

- None



## Government Relations Update

### **Alaska S. 1589 Sponsors**

- None



## Government Relations Update

### **Alaska Senate Advocates**

- None



## Government Relations Update

### **Idaho H.R. 2092 Sponsors**

- None



## Government Relations Update

### **Idaho House ESOP Advocates**

- Rep. Michael K. Simpson  
(R-ID)



## Government Relations Update

### **Idaho S. 1589 Sponsors**

- Senator Michael Crapo (R-ID)
- Senator James E. Risch (R-ID)



## Government Relations Update

### **Montana H.R. 2092 Sponsors**

- None





## Government Relations Update

### **Montana House ESOP Advocates**

- None



## Government Relations Update

### **Montana S. 1589 Sponsor**

- Senator Jon Tester (D-MT)



## Government Relations Update

### **Montana Senate ESOP Advocate**

- Senator Steve Daines (R-MT)



## Government Relations Update

### **Oregon H.R. 2092 Sponsors**

- Rep. Earl Blumenauer (D-OR)
- Rep. Suzanne Bonamici (D-OR)



## Government Relations Update

### **Oregon House ESOP Advocates**

- Rep. Greg Walden (R-OR)



## Government Relations Update

### **Oregon S. 1589 Sponsors**

- None



## Government Relations Update

### Oregon Senate ESOP Advocates

- Senator Ron Wyden (D-OR)



## Government Relations Update

### Washington H.R. 2092 Sponsors

- Rep. David Reichert (R-WA)  
--original sponsor
- Rep. Derek Kilmer (D-WA)



## Government Relations Update

### Washington House ESOP Advocates

- Rep. Rick Larsen (D-WA)
- Rep. Cathy McMorris Rodgers (R-WA)



## Government Relations Update

### Washington S. 1589 Sponsors

- Senator Maria Cantwell (D-WA)



## Government Relations Update

### Washington Senate ESOP Advocates

- None



## Government Relations Update

### Wyoming H.R. 2092 Sponsors

- None



## Government Relations Update

### Wyoming House ESOP Advocates

- None



## Government Relations Update

### Wyoming S. 1589 Sponsors

- None



## Government Relations Update

### Wyoming Senate ESOP Advocates

- Senator Michael B. Enzi (R-WY)



## Government Relations Update

### Applying Pressure to DOL

ESOP Advocates on Congressional Committees that Oversee DOL

- Rep. Michael Simpson (R-ID)
- Rep. Suzanne Bonamici (D-OR)
- Senator Michael B. Enzi (R-WY)





## Government Relations Update

### Part II

- The Vision

We believe that employee ownership

...Improves American competitiveness.

...Increases productivity through greater employee participation in the workplace.

...Strengthens our free enterprise economy.

...Creates a broader distribution of wealth.

...Maximizes human potential by enhancing the self-worth, dignity, and well-being of our people.

Therefore, we envision an America where employee ownership is widely recognized as a catalyst for economic prosperity...where the great majority of employees own stock in the companies where they work...and where employee ownership enables employees to share in the wealth they help create.

And we look for our nation to become for all the world an example of prosperity with justice through employee ownership.



## Government Relations Update

### Part II (continued)

- The Foundation
- The Road
- The Progress



## Government Relations Update

### Left / Center /Right

 **JMKESOP**  
@jmkesop Following

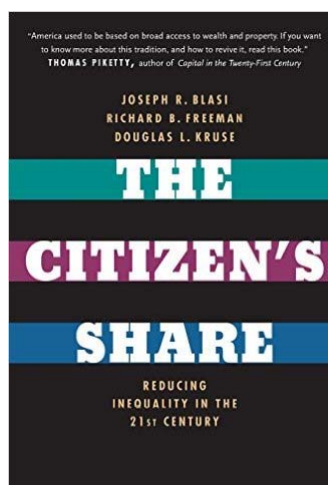
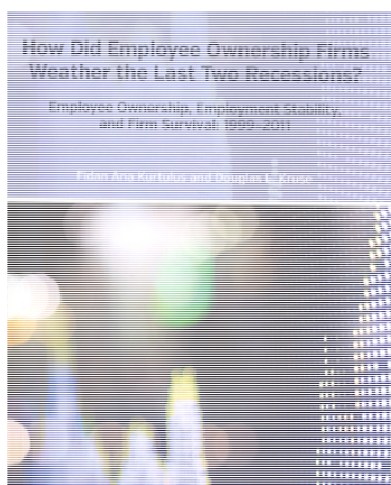
CAP, Thirdway, US Chamber of Commerce Labeled "liberal" "moderate" "conservative" All endorse ESOPs Never forget: Employee Ownership can unite!

**The ESOP Association** @ESOPAssociation  
The ESOP model of employee ownership is an issue that frequently provides common ground for potential adversaries. [ht.ly/aQyi308MseW](http://ht.ly/aQyi308MseW)



## Government Relations Update

### Left / Center /Right





## Government Relations Update

### Conclusion

You    You    You

And...

- No home runs
- No magic
- Proof is in the pudding



## Government Relations Update

Remember  
the message  
from this  
poster!

You and your  
co-owners!

