

Modest Tax Credit Increase Has Ability to Motivate Small Businesses to Offer Retirement Plans

LPL survey supports the need to enhance incentives to small employers affording Americans greater retirement security

CHARLOTTE, N.C., July 18, 2017 (GLOBE NEWSWIRE) -- Leading retail investment advisory firm and independent broker/dealer [LPL Financial](#) LLC, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ:LPLA), today released a [report](#) that shows an overwhelming majority of small business owners would be likely to adopt or enhance employee retirement plan coverage if they were provided increased tax incentives.

LPL commissioned a survey regarding how to increase access to retirement savings for more American workers. The findings were published in the Small Business Retirement Savings Challenge [report](#), which details the retirement plan offerings and challenges of 791 small businesses, defined as those with 25 to 99 employees. The report summarized that even modest increases in the current tax credit would likely spur small business employers to broaden their retirement plan coverage.

Other key findings include:

- ┆ 91 percent of small employers without a retirement plan would be at least somewhat more likely to start a plan if the current tax credit cap was increased to \$5,000 and if initial costs were covered.
- ┆ 86 percent of small employers with a plan would be at least somewhat more likely to offer automatic enrollment if given a \$500 credit.
- ┆ Businesses surveyed cited cost and complexity for reasons they don't currently offer a plan.

"We have a serious challenge ahead of us in addressing the retirement needs of hard-working Americans," said **Congressman Richard Neal** (D-MA), Ranking Member, House Committee on Ways and Means. "A key to tackling this problem is to make it easier and less expensive for small businesses to provide retirement benefits to their employees. This is an issue that has long been very important to me, and I have introduced legislation to address this problem. I am very happy that it is receiving the attention it deserves."

Current Census Bureau data shows that businesses with fewer than 500 employees account for 99.7 percent of employer firms in the U.S. Given small business' oversized impact on the American economy, a relatively small outlay for improved tax incentives could have a significant impact to improve retirement security for millions of Americans.

*Commissioned by LPL Financial, and conducted by Qualtrics in February 2017, the Small Business Retirement Savings Challenge study surveyed 791 CEOs at organizations (encompassing all areas of business) with 25 to 99 employees.

About LPL Financial

LPL Financial LLC, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ:LPLA), is a leader in the retail financial advice market and provided service to approximately \$540 billion in brokerage and advisory assets as of May 31, 2017. LPL is one of the fastest growing RIA custodians and the nation's largest independent broker-dealer (based on total revenues, Financial Planning magazine June 1996-2017), and the firm and its financial advisors were ranked No. 1 in net customer loyalty in a 2016 Cogent Reports™ study. The Company provides proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to more than 14,000 financial advisors and over 700 financial institutions, enabling them to provide a range of financial services including wealth management, retirement planning, financial planning and other investment services to help their clients turn life's aspirations into financial realities. As of March 31, 2017, financial advisors associated with LPL served more than 4 million client accounts across the U.S. as well as an estimated 46,000 retirement plans with an estimated \$135 billion in retirement plan assets. Additionally, LPL supports approximately 3,900 financial advisors licensed and affiliated with insurance companies with customized clearing, advisory platforms, and technology solutions. LPL Financial and its affiliates have more than 3,300 employees with primary offices in Boston, Charlotte, and San Diego. For more information, visit www.lpl.com.

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