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U.S. Rep. Kind, colleague: Introduce bipartisan legislation to encourage formation of employee-owned businesses and expand retirement savings options

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Washington, DC –Today, **Reps. Ron Kind (D-WI)** and **Jason Smith (R-MO)** introduced the bipartisan *Promotion and Expansion of Private Employee Ownership Act* to encourage the formation of employee-owned businesses through S Corporation Employee Stock Ownership Plans (S-ESOPs).

“I’m proud to introduce this bipartisan legislation to empower Wisconsin workers and help more companies become employee-owned,” said **Rep. Ron Kind**. “Kickstarting our economy and creating jobs is a top priority as we work to build back stronger from this pandemic, and the evidence is clear that S-ESOPs help companies grow faster while ensuring a more financially secure future for workers.”

“This legislation builds on the success of ESOPs in giving employees a stake in the businesses where they work,” said **Rep. Jason Smith**. “By allowing S Corporations to more easily convert to an employee-owned model, we encourage entrepreneurs planning for retirement to sell their businesses to employees, rather than to a competitor. This, in turn, gives employees greater economic security and helps them build their own nest egg.”

“Employee ownership of private companies has a proven track record of helping American workers build exceptional financial security and strong retirement savings, as well as creating good-paying jobs that weather economic uncertainty.

The ESOP community is thankful to Congressman Kind and Congressman Smith for introducing bipartisan legislation that not only recognizes the substantial benefits of employee ownership for workers and the economy, but goes further, making these valuable benefits available to many more Americans. We encourage lawmakers to move this legislation toward passage so that it can be signed into law by President Biden," said **Stephanie Silverman, President and CEO, Employee-Owned S Corporations of America (ESCA)**.

"Employees who own the businesses where they work have a share in the wealth they help create, and that connection makes companies stronger, more stable, and more rooted in their communities. Employee-owners are shown to have greater household wealth and more job security, and ESOP companies have proven to be more resilient in economic downturns. The legislation proposed by Rep. Kind will expand ownership opportunities like we have in place at Realityworks to even more of the U.S. workforce, and that's good for the economy overall," said **Mary Boettcher, CFO – Realityworks and Board Chair for the National Center for Employee Ownership (NCEO)**.

"Realityworks' employees not only have a job that creates positive societal impact with competitive benefits, but they also receive a long-term retirement benefit for being part of an employee-owned Company. Being in today's workforce and planning for retirement is scary and downright challenging. Employees in ESOP companies get a huge boost to their long-term financial plans, simply for doing their daily work and helping make the company they work for strong and profitable. This bill being presented is critical to the creation of more employee-owned companies. I cannot think of anything more important that this country needs than to ensure people have a secure and healthy retirement position. This legislation simply provides that without cost," said **Timm Boettcher, President and CEO – Realityworks**.

"OwnersEdge is a proudly 100 percent employee-owned company, and our experience has proven that when we return value to our employees through an ownership stake that helps them save for a secure retirement, they create exceptional value for our customers and help our business grow and thrive. We strongly support efforts to promote adoption of the S ESOP structure by private companies throughout our nation and we are grateful for the bipartisan leadership of Congressman Kind and Congressman Smith in bringing forth this bill to empower more hardworking Americans through the benefits of employee ownership," said **Lisa Reardon, CEO, OwnersEdge**.

The *Promotion and Expansion of Private Employee Ownership Act* would help incentivize owners of qualifying companies to sell stock of their companies to their employees, creating an S-ESOP. It would also provide additional support to companies as they transition to the employee-ownership model and ensure that small businesses that become ESOPs can retain their Small Business Association certification.

S-ESOP companies employ nearly 500,000 Americans at approximately 3,000 companies, including 29,000 Wisconsinites at over 100 companies across the state. According to several recent studies, S-ESOPs provide a number of benefits to companies and workers alike, including an outperforming company growth rate, increased retirement security and decreased income inequality within the company.

Rep. Kind is a member of the Ways and Means Committee, the most powerful – and the oldest – committee in the House of Representatives. It has jurisdiction over tax measures, the management of public debt, trade and tariff laws, Social Security, Medicare, pensions, and many other economic growth measures.

Read the bipartisan bill here.