

BILL CASSIDY, M.D.  
LOUISIANA

WASHINGTON, DC OFFICE:  
SUITE SH-703  
HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510  
(202) 224-5824

BATON ROUGE OFFICE:  
5555 HILTON AVENUE, SUITE 100  
BATON ROUGE, LA 70808  
(225) 929-7711

## United States Senate

COMMITTEES  
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HEALTH, EDUCATION, LABOR,  
AND PENSIONS  
VETERANS' AFFAIRS  
JOINT ECONOMIC COMMITTEE

August 18, 2016

The Honorable Secretary Lew  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Secretary Perez  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

The Honorable Commissioner John Koskinen  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Dear Secretaries Lew, Perez and Commissioner Koskinen:


The unprecedented flooding in Louisiana has impacted over 70,470<sup>1</sup> individuals causing, to date, over 17,380 flood insurance claims. The Federal Emergency Management Agency (FEMA) estimates that 42 percent of individuals in high-risk flood areas have federal flood insurance coverage while only 12.5 percent of impacted individuals in low to moderate risk zones carried flood insurance policies. Based on these statistics, more than half of the individuals impacted by the recent flooding have inadequate resources to appropriately repair or replace their homes or mitigate against future flood events.

Therefore, I request the Internal Revenue Service (IRS), and the Departments of Treasury and Labor to provide broad-based relief to retirement plan participants affected by this disaster<sup>2</sup>. Specifically, I urge those impacted by this flood disaster attain access to their retirement funds quickly without bureaucratic red-tape hurdles. This includes, but is not limited to, streamlined loan procedures and liberalized hardship distribution waivers for 401(k) plan participants, employees of public schools and tax-exempt organizations with 403(b) tax-sheltered annuities, and state and local government employees with 457 deferred-compensation plans.

The purpose of such hardship waivers or retirement plan loans should encompass repair or replacement of a home or for the installation of mitigation measures to protect against future floods. I also urge that regulatory relief be applied to individuals living outside the declared disaster area who can take out a retirement plan loan or hardship distribution to use to assist a son, daughter, parent, grandparent or other dependent who lived or worked in the disaster area.

Similar regulatory waivers were afforded individuals impacted by Hurricanes Katrina<sup>3</sup> and Sandy<sup>4</sup>. This is a basic relief tool that is immediately needed during the recovery from the recent flooding in Louisiana. I appreciate your attention to this matter and look forward to your prompt action and response.

Sincerely,

  
Bill Cassidy, M.D.  
United States Senator

<sup>1</sup> FEMA Individual Assistance Registrations; August 17, 2016

<sup>2</sup> Louisiana Severe Storms and Flooding (DR-4277)

<sup>3</sup> IR-2005-105, September 15, 2005

<sup>4</sup> IR-2012-44, October 2012