

Talking Points for Reinstating Section 120

- ✧ **Following the enactment of Internal Revenue Code Section 120 in 1976, employers were encouraged to offer low cost access to the legal system to their employees. Many of these employees are the so-called “working poor”, Americans working at hourly wage jobs and living on the margins economically.**
- ✧ **Section 120, which made employer-paid group legal benefits tax exempt, expired in 1992. This change in status resulted in a tax increase to both employers and employees, and an increased administrative cost and burden to employers.**
- ✧ **The expiration of this provision not only triggered a tax increase for small businesses and workers, but also increased the administrative costs for small business due to the taxable nature of the benefit. Following the 1992 change in tax status, the cost of the benefit is passed through to the employee as imputed income. The administrative cost of this change amounts to as much as \$20 annually per employee on what may amount to a \$100 annual benefit.**
- ✧ **Without the advantage of being able to spread this burden over thousands of employees, the expiration of Section 120 places a disproportionately large administrative burden on small employers, for whom the cost to process W-2’s and 1099’s for small amounts of money is substantial compared to the cost of the benefit.**
- ✧ **Group legal plans have been proven to increase productivity by enabling employees to resolve legal difficulties early before they become more complex. Employer-paid legal plans meet the needs of working Americans by providing advice and services regarding wills and trusts, powers of attorney, living wills, as well as other “everyday” legal life events such as purchase or sale of a home, landlord/tenant issues, consumer disputes, child support collection, and adoptions.**

Group Legal Services Women's Issues

- ✧ **Child Support Enforcement** - Group Legal Services offer a layer of support to single mothers who depend on child support payments. Many jurisdictions provide assistance to women attempting to collect child support payments, however, these programs are bogged down and fraught with delay. A group legal services lawyer can get into court and seek enforcement of support orders.
- ✧ **Orders for Protection** – Group Legal Services lawyers can work quickly within the legal system to help women get Orders for Protection for themselves and their children.
- ✧ **Adoption** – Group Legal Services lawyers can assist young families with adoption legal services.
- ✧ **Elder Care** – Many women find themselves caring for elderly parents and have questions about the best way to deal with an aging parent's assets, long-term care, and serious health issues. Group Legal Services lawyers can provide the information and advice to help women provide for their parents' needs.
- ✧ **Retirement Security** – Because women historically outlive men, many older women are the targets of unscrupulous investment advisors. They have the IRA and 401(k) and insurance funds available for investment. Group Legal Services lawyers can offer estate planning advice, as well as assistance in recovering assets stolen by scam artists.
- ✧ **Day to Day Legal Needs** – More women than ever are homeowners, Group Legal Services lawyers can provide assistance with closings. In addition, most group legal services plans offer wills, document review and estate planning.
- ✧ **Group Legal Services Plans protect women's rights and their assets by providing affordable and accessible legal services.**

Group Legal Services Disaster Relief

- * **Insurance** – Group Legal Services plan lawyers can assist disaster victims in negotiating with insurance companies to get the payments they need to get their lives back in order.

- * **Debt Related Matters** – Experts indicate that the greatest need following a natural disaster comes six to twelve months following the event. Forgiveness programs and mortgage moratoriums end, leaving many disaster victims still unprepared to pick up the financial pieces. Group Legal Services lawyers can assist with debt related matters, such as foreclosure, repossession and garnishment.

- * **Wills and Estate Planning** – Surviving a disaster is a life changing event. Legal Services plans offer wills, simple trusts, guardianships, and estate planning for disaster victims who want to plan for their family's future.

- * **Replacing Lost Documents** – For many disaster victims, all their important documents were lost or destroyed. Group Legal Services Plan lawyers can help victims recreate and replace their vital paperwork.

- * **Tax Assistance** – Disaster assistance brings its own tax consequences, Group Legal Service Plan lawyers can help navigate the maze of regulations affecting grants, loans, insurance payments and small business losses.

- * **Analysis of Hurricane Relief Measures** – For disaster victims in affected areas, or those who are still displaced, wading through the patchwork of relief measures instituted by the Federal and State governments can be confusing. Group Legal Services lawyers can help victims understand what relief they may qualify for and what measures apply to them.