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LEGISLATIVE ACTION ALERT

Seeking Alpha^α

Companies race to add to pension plans to capitalize on tax break: WSJ

Jun. 21, 2018 12:42 PM ET | By: [Liz Kiesche](#), SA News Editor

Last year's tax reform package may help some companies with underfunded pension plans close the gap, the [Wall Street Journal](#) reports.

Companies have until mid-September to deduct contributions from income on tax returns being filed for 2017--when the corporate tax rate was still 35%. Thus, a company can now save \$35M in taxes on a pension plan contribution of \$100M vs. \$21M it would save under the new 21% corporate tax rate.

The one-time incentive is helping close a pension funding gap that topped \$680B for S&P 1500 companies after the financial crisis, according to consulting firm Mercer.

United Parcel Service (NYSE:[UPS](#)), Deere (NYSE:[DE](#)), Lockheed Martin (NYSE:[LMT](#)) are among those that have made or announced contributions to their defined-benefit pension plans ahead of the cutoff-date.

View entire Wall Street Journal Article at:

<https://www.wsj.com/articles/companies-race-to-top-off-pension-plans-to-capitalize-on-tax-break-1529573400>

