**TEA Takes ESOP Advocacy Overseas**

It is important to pay attention not only locally and nationally, but also internationally when protecting ESOP interests. Why? Because incorrect or inaccurate statements about ESOPs can cross borders and oceans and convince the Federal Government in America that ESOPs pose a problem, when none exists.

To prevent that from happening, The Association keeps a watchful eye and responds immediately when it sees trouble brewing. The latest example: In May, the international Organisation for Economic Cooperation and Development (OECD) published a paper complaining that ESOPs may operate in a manner that puts employees’ retirement savings at risk.

The paper states: “In some instances, inadequate legal constraints have allowed U.S. employers, motivated by other interests, to expose employees to excessive concentration of retirement investments in employer stock.”

The document adds that these practices violate a core principle of the OECD. That is strong language.

It also is inaccurate. The Association promptly sent a letter reminding the OECD that ESOPs function in a manner that is consistent with the OECD core principle at issue. That principle states: “In the case of pension funds specifically designed to invest in employer stock, to ensure sufficient diversification of the employee’s pension assets, such funds should not be the sole type of pension plan made available to employees by the sponsor and such funds should reduce their investment in the plan sponsor’s stock to a prudent level as retirement approaches.”

Regarding diversification, U.S. laws provide ESOP participants opportunities to diversify their holdings as they approach retirement age. That law, by the way, represents a minimum. Some companies, such as ESOP Association member Comsonics in Harrisonburg, VA, offer diversification options that kick in sooner than the law mandates.

As for providing one retirement plan, a Rutgers University study found that ESOP companies are far more likely to provide a second retirement plan—one with diversification options, like a 401(k)—than comparable non-ESOP companies are to provide any retirement plan.

And studies show that U.S. ESOP companies have, on average, higher investment returns and higher employment contributions than do non-ESOP companies.

The letter also points out the data showing that ESOP companies benefit employees in other ways, because they are:

- Less likely to lay off employees.
- More likely to provide training.
- More sustainable.
- More productive.

Rest assured, The Association will remain engaged in this discussion and will ensure that everyone—at home and abroad—has an accurate view of how ESOPs work. That’s the only way to ensure that ESOPs continue to get the support they deserve from thought leaders and elected officials alike.
ESOP PAC, Again

In the April ESOP Report, I wrote in this space about the ESOP PAC because I had come across various views of the PAC that seemed off point.

That column generated more pushback than anticipated, so I’d like to revisit this topic. (For more information on the legal limits our PAC faces when raising money, see the April column.)

Does PAC Money Corrupt?
Some of the comments I received reflect a commonly held belief that political action committees are an evil, corrupting influence. This view assumes that money sent to an elected official is tantamount to a bribe, a way of securing that official’s vote through a check.

The law is designed to prevent that from happening. Trade association PACs are legally limited in the amount they can receive from an individual and the amount they can donate to a candidate.

That limit: $5,000 per campaign. (Because primaries are considered separate campaigns from general elections, a given candidate could receive up to $10,000 from a given PAC.)

Election campaigns costs millions of dollars. Giving $10,000 to a candidate will help, but not enough to “buy” any influence.

What’s more, it is impossible for our PAC to “buy” a vote because we donate money only after an elected official has supported ESOPs. It is an elected official’s willingness to publicly support ESOPs that triggers our support.

The vast majority of elected officials with whom I have come in contact during the 36 years of lobbying work I have done for The Association have shown the same passion for employee ownership that I see in most of you.

Their support also is emotional, because they have seen and share the passion so many of you and your employee owners bring to work and to the issues facing the ESOP community.

And research data reinforces their insights, showing that other ESOP companies are just as special as the ones elected officials have visited in person.

These elected officials get it. They don’t need to be bought; the passion and commitment they possess is something money can’t buy.

Are Donations Payment, Or Support?
I also have encountered a prevailing sentiment that money sent to elected officials ends up lining their pockets.

Continued on page 11
How do you speed up the transition to a culture in which employee owners take on more responsibilities? This was a question that Kelly McDole, founding CEO of Delta Managed Solutions (DMS), needed to answer quickly in 2015.

“I was sick, and at the time, it looked like I was getting sicker,” says McDole. “I had to face the possibility that I might not be able to come into work in six months or a year.”

ESOP companies wanting to speed up the transition can learn a lot from the DMS experience.

**Leading By Example Was Not Enough**

DMS—provider of comprehensive back-office, administrative, and financial services to charter schools in California—established a 30 percent ESOP in 2011 with a plan to go 100 percent when the time was right.

“I thought leaders would emerge and employees would start acting like owners by watching my example,” explains McDole.

Four years after the initial ESOP sale, that just wasn’t the case. “The business was still very dependent on me. The ‘leading by example’ strategy was not working.”

McDole explains her frustration at the time. “These are the smartest, most dedicated people I know. They wholeheartedly support the idea of sustaining this business with the ESOP but something was missing.”

Despite desire, talent, and belief in the concept, McDole was not seeing the transition he hoped to see. Hoping to avoid reinventing the wheel, she turned to the internet, ESOP community, and books for information, models, and approaches. She also turned to our organization for help.

**Acting Like Owners**

Fast forward to 2018. The business made a successful transition to 100 percent ESOP ownership, but more importantly, the next generation of leaders are now making day-to-day business decisions without McDole. Employees throughout the company are taking more responsibility for overall business success. The next level of managers at DMS report a tangible change in their role in operations.

“Two years ago, we thought we needed to run all things past the CEO and CFO before taking action,” explains Kari Wallace, an operational supervisor at DMS. “Now, we feel confident that our team will make the decision and inform executives of what we did.”

Berenice Oceguera, finance coordinator, explains that, “A few years back, we didn't have an employee-ownership mentality. Now, if we have a decision to make, we know we will consider whether it brings value to employees and value to our customers.”

Below are three things that the DMS team says accelerated the process:

**Resolve to transition responsibility.** McDole resolved to transition different aspects of her leadership role to different people in the company, and she works hard at not taking the responsibility back.

She helps, guides, and listens with the goal of leaving the ultimate responsibility with the person who's learning to take it.

Supervisors are following suit, giving employees job-level responsibilities.

Leading is not about taking over problem-solving responsibility, but about finding a way to leave responsibility where it belongs.

**Adopt a framework for working together.**

Many well-intentioned founders or executives have started a transition and then reverted to old habits. Here's where having a clear framework becomes important.

The team of managers and McDole agree that having a framework was essential to their success. They chose the framework in the book *Traction* by Gino Wickman.

All successful frameworks have certain elements in common: a forum for regular two-way communication, forward-looking goals, individual and shared accountability, clarity about company vision, learning from mistakes, and continuous evaluation of the process.

When DMS decided to evaluate their process, they found that they no longer needed to hold traditional meetings where people report on what they are doing in their daily work.

Instead, DMS runs “work groups” where everyone has a role with collaborative problem-solving about the highest priorities, with continuous evaluation and improvement.

**Teach new business knowledge and skills.** We worked with DMS to deliver customized training for supervisors and employees about understanding what drives value, ESOP concepts, giving and receiving feedback, job-level connections to value, ownership roles, and managing change.
Update: Search for President of The ESOP Association

By Dave Fitz-Gerald

I’m pleased to report we have completed a proposal process and have selected Vetted Solutions to assist us. We wanted a firm that specializes in placing leaders of associations based in the Washington, D.C. area. We wanted a firm with a track record of successful placements. We wanted a firm with a great system for conducting a thorough, fair, and professional process. We wanted a firm with a commitment to helping new leaders onboard into successful organizations. Vetted Solutions met all these criteria, and Vetted Solutions is that firm.

We are fortunate to have the time and flexibility to conduct a complete and careful search. We will share updates on process and progress. Details about applicants and candidates will be held strictly confidential. On behalf of the search committee, I assure you we are deeply committed to finding an inspirational new leader for The ESOP Association so we can continue building an even brighter future.

New Social Media Tools Coming to a Device Near You!

The ESOP Association is working to provide you with enhanced social media tools that will expand your ability to network, interact, and share information in real time across the country. Named ESOPConnect, this new system is a private form of social media that offers significant advantages over the free, public systems with which most of us are already familiar.

Here is a quick introduction to ESOPConnect.

Who Is it For?
This network will be available exclusively to members. That means you can share information confidently, knowing you will interact only with those who are familiar with ESOPs and who have relevant experiences and expertise to share.

What Does it Do?
The system enables you to chat online, share files and links, create blogs, get e-mail notifications of new comments, see upcoming events, and register for meetings.

On Which Topics Will These Groups Focus?
The system will enable us to create groups for nearly any topic that interests you. For example, we can create a group focused on the needs of HR professionals, new ESOP companies, or ESOP companies in a certain industry. The system is incredibly flexible and can meet your needs in a variety of ways.

How Does This Affect the Chapters?
In person events are the lifeblood of our chapters. ESOPConnect will add to that experience by providing a way for chapter members to interact between chapter meetings. Now, members who were unable to attend an event will be able to share in the conversations about that meeting before and after the fact. Officers of each chapter will benefit too by participating in groups just for them. This will provide a new way to share files and work efficiently.

How Does This Affect Volunteers?
Like the chapter officers, volunteers will be able to participate in exclusive work groups where they can share files, chat, and work together.

When Will This Take Place?
We are building this system now. In early July, more than 120 chapter officers helped us test the system for errors and bugs. Once testing and some improvements are complete, we can slowly start to roll out this system to you—hopefully in late summer or early fall.

Why Is the Rollout Happening Slowly?
Our vendor has handled many of these projects and recommends starting with one large group where everyone can get accustomed to the system, set up profiles, and begin networking.

After a few months, we will ask members to suggest new groups. While we can create the infrastructure for a group, we need members to take the lead in generating interest, suggesting topics for discussions, getting conversations rolling, and the like.

Correction
Last month’s ESOP Report incorrectly identified Lauri Veverka as the 2017 Employee Owner of the Year. Lauri won the honor in 2015; Carl Morgan was the Employee Owner of the Year in 2017.
Twitter Contest Winner
The ESOP Association recently held a contest asking members to tell us on Twitter what they value most about being involved in an ESOP. The contest winner is Mike Shuey, who tweeted:

My favorite part of being an EmployeeOwner is sharing work with my family!! @Restek I look forward to bringyourchildtoworkday every year. 👍 #ESOP

Thank you Mike for sharing with us on Twitter. Many companies talk about being like a family. It is encouraging to hear our members say they feel comfortable bringing their actual families into the work environment. That is special indeed.

Note: For the latest in advocacy, news, and more, follow us on Twitter @ESOPAssociation.

Attendees of the Leading in an Ownership Setting program (supported by the Employee Ownership Foundation and Univ. of Pennsylvania) visit Gettysburg, where ESOP Association President J. Michael Keeling (in the dark hat) shares history lessons that apply to leaders of ESOP companies today.

Calendar of Deadlines and Important Dates

<table>
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<tr>
<th>Date</th>
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<tr>
<td>Aug. 8-10</td>
<td>Employee Owner Retreat</td>
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<tr>
<td>Sept. 12</td>
<td>Early Registration Ends for Las Vegas Conference &amp; Trade Show</td>
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<tr>
<td>Oct. 1-31</td>
<td>Employee Ownership Month</td>
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<tr>
<td>Nov. 8-9</td>
<td>Las Vegas Conference &amp; Trade Show</td>
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<td>Nov. 11-14</td>
<td>Leading in an Ownership Setting: The Program for CEOs, Session II</td>
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To see all national and chapter meetings, visit us online at: www.esopassociation.org.
We Can Do It!

As members of Congress engaged in the herculean task of considering, drafting, and approving the nearly 1,000-page long Tax Reform Act of 2017, they did a wonderful thing: They looked under every rock and crevice to find ways to increase revenue—but never seriously considered reducing tax benefits for ESOP companies.

In the 20th century, ESOPs were all too often under the microscope when tax bills were being developed. The fact that they were never part of such considerations this time around shows that Congress understands how special ESOP companies are.

And that is a testament to each and every ESOP company that wrote a personal letter to an elected official, visited Capitol Hill during our Annual Conference in May, or invited their representatives in the House or Senate to visit their place of business.

What happens now? While the tax bill was being drafted, our primary goal was to ensure that negative actions never saw the light of day.

Now it is time to shift gears and follow the old football adage that the best defense is a good offense.

Getting Sponsors
The best measure of support for positive ESOP law is the number of women and men in Congress who will declare publicly and without hesitation: “I support new legislation that encourages the private sector to create and operate broad-based ownership via the ESOP model of employee ownership.”

They do that by sponsoring pro-ESOP legislation. As any regular reader of this column knows, each month we publish a graphic (see to the left) showing how many members of the House and Senate have sponsored pro-ESOP bills in Congress that we consider important for advancing employee ownership.

(It is worth noting that we often work collaboratively with ESCA to support pro-ESOP legislation that benefits our members. Only The ESOP Association advocates on behalf of all ESOP companies—C and S corporations alike.)

Now, let’s get specific. We have two goals we hope to accomplish by the end of 2018:

1. Get 100 members of the House of Representatives to sponsor H.R. 2092, the Promotion and Expansion of Private Employee Ownership Act of 2017.

2. Get 50 members of the Senate to sponsor the identical proposal in the Senate, S. 1589.

As of this writing, there are 70 sponsors in the House and 37 sponsors in the Senate. To reach our goals, we need 30 more sponsors in the House and 13 more in the Senate.

Easier Than It Looks
These goals are very, very doable. Why?

In the previous session of Congress, 86 House mem-
bers sponsored H.R. 2096 but have not yet sponsored H.R. 2092.

Why is that significant? Because they are the same bill, using the same language!

It is very rare for an elected official to openly support a legislative proposal in one session of Congress and not do so in the next session. So getting these elected officials to offer their support again should in no way be a tough sell.

In fact, if less than half of the House members who supported H.R. 2092 in its prior iteration sponsored the current version, our mission would be accomplished.

Take a look and you will find a similar situation in the Senate, where there are 13 Senators who sponsored a bill identical to S. 1589 in the previous session of Congress. If they return to offer the same support they provided previously, once again our mission would be accomplished.

Where do you find out if your member of the House or Senate sponsored a prior pro-ESOP bill but not the current version? Start by visiting our website at esopassociation.org/esop-advocates. Scroll down to your state. Any member of the House or Senate listed in bold sponsored pro-ESOP legislation in the prior session of Congress but hasn't yet sponsored the version in the current session. (See the examples the box below.)

In other words, we make it easy for you to find the low hanging fruit—elected officials who already have shown they support ESOPs.

You'll also see names that are not listed in bold type. These members have already sponsored pro-ESOP legislation in the current session of Congress and deserve our thanks.

**Reaching Out**

Now that you know who to contact, how do you actually do it? Once again, we've made it easy for you.

Click the name of the member you want to reach and you'll be taken to a web page that shows that individual's legislative history and links to that person's website.

From there you can find information on contacting that member's office.

When contacting members, the best approach is to craft a letter that is unique and sincere. Elected officials don't like junk mail any more than you do, and they get plenty: reams of form letters daily. To stand out, make your letter personal and genuine. If your handwriting is at all legible, consider writing it by hand.

In your letter, thank officials for the support they provided in the prior session of Congress, and ask if they will consider once again sponsoring pro-ESOP legislation.

Another option: Ask your members to visit your company. Before the visit concludes, ask in person if you can count on them to offer continued support for ESOPs by sponsoring the appropriate bill.

Or go to the representative or senator's town hall meeting. When the public portion of the meeting ends, walk up, introduce yourself, and ask for support at that time.

Not sure how to ask an elected official to sponsor a bill? Download a copy of our Advocacy Kit, which is free to all members, at esopassociation.org/advocacy-kit.

We can reach our goal of 100 representatives and 50 senators. Your ESOP is important to your community, to each of your employee owners—and to America. Let's do it.

**Find Supporters in Congress**

Visit the “ESOP Advocates in Congress” page on our website to quickly find which members of Congress representing your state currently sponsor pro-ESOP legislation (shown in regular type) and those who have supported pro-ESOP legislation in the past but are not doing so currently (shown in bold).

We encourage you to contact members listed in bold and ask them to sponsor H.R. 2092 or S. 1589. To see members’ contact information, click their names.
Rehiring a Former Employee

Authored by: Lori Stuart, QPA, Crowe Horwath LLP
Reviewed by: Lynn DuBois, Partner, ESOP Law Group LLP

At some point, your company is likely to rehire a former employee. In these situations, typically the question of whether returning employees are eligible to participate again in the ESOP is one of the first issues to arise.

However, there are other aspects to consider in these situations, such as:

- Crediting of vesting service on both the old and new account balances.
- Reinstatement of previously forfeited balances.
- Segregation/conversion of stock balance to cash.
- Continuation of installment payments.
- Continuation of required minimum distributions.
- Start over on distribution delay when the employee terminates again.

This article outlines what you need to consider when rehiring an employee.

Plan Participation
Most plans allow rehired employees who previously participated in the ESOP to participate again immediately upon rehire.

Employees who never met the requirements to participate during their first period of employment generally start over as a new hire. However, there are exceptions depending upon how your plan document credits service for eligibility and the eligibility provisions.

Rehiring an employee after a break-in-service year may affect when that person re-enters the plan. Tracking employment history is crucial to crediting service properly.

Consult your plan provisions and your third party administrator (TPA) for help.

Vesting Service
Crediting vesting service for employees who are rehired is a rather complicated process. The break-in-service rules play a big part in crediting vesting service after rehire.

A break-in-service year is a plan year in which an employee works 500 or fewer hours of service. After termination, any plan year in which the employee does not work is a break-in-service year.

If the plan uses the elapsed time method—rather than the hours method—to measure service, a break-in-service year is a 12-month period beginning with the date of termination and each anniversary year thereafter until rehire.

A participant does not have to be terminated to have a break-in-service year if the hours method is used to credit service.

Generally, if a participant is rehired, the vesting service earned during the first period of employment counts as vesting service in the new period of employment. However, the length of time a participant is gone impacts whether service earned in the new employment period increases vesting on the balance accumulated in the first period of employment.

The plan can include a provision that requires a rehired employee to complete a year of vesting service before the vesting service earned in the prior employment period is credited to the new employment period.

In addition, the plan can include the “Rule of Parity,” which allows the prior vesting service to be permanently disregarded. The Rule of Parity applies only to participants who were zero percent vested at termination and who had a minimum of five consecutive break-in-service years.

Forfeiture Reinstatements
Most commonly, a forfeiture of an unvested account balance occurs after the participant achieves one of the following milestones:

- Terminates and is zero percent vested.
- Receives payment of the entire vested account balance.
- Has five consecutive break-in-service years.

If a participant has five or more consecutive break-in-service years and rehires, no reinstatement of a prior forfeiture is required.

If a participant is rehired before five consecutive break-in-service years, it may be necessary to reinstate any forfeited balance.

Most plans require that the participant repay the vested balance distributed to have the forfeiture reinstated upon rehire. The participant must be given a minimum of five years to repay the amount distributed. It is important that you notify rehired participants of the option of repaying a distribution to have a forfeited amount reinstated.

Forfeitures are reinstated for rehired participants generally out of amounts forfeited in the year of rein-
statement. If there are insufficient current-year forfeitures to reinstate a participant’s account, the company must contribute the amount necessary.

**Segregation/Conversion of Stock to Cash**
Many ESOPs include provisions by which stock balances convert to cash when a participant terminates employment. If so, what happens when that participant rehires?

Some plan documents include provisions that address this situation. If yours does not, you will need to have a policy in place so that you treat all rehires in a consistent manner.

The segregated cash can be transferred back into other cash accounts, allowing the rehired participant to share in any new share purchases or participate in current recycling or reshuffling. Alternatively, the cash can remain in the segregated account.

If segregated cash is transferred into the 401(k) plan for investment purposes, it may be difficult to have the cash transferred back to the ESOP. You may want to have this discussion with your 401(k) investment provider before setting a policy on how rehired employees are addressed.

**Continuation of Installment Payments**
If you rehire an employee who is receiving installment payments, typically the payments will cease until the employee again terminates employment. However, the plan can include a provision that allows the installment payments to continue. If installment payments continue, a separate account will need to be established for any benefits that are earned in the new period of employment.

It also may be necessary to set up a separate account for any benefits that are earned in the new period of employment, even if the installment payments cease at rehire. If there is a waiting period after termination for distribution to the participant, the balance accrued in the new period of employment is subject to that delay. However, it is possible to restart the installments on the prior balance immediately following termination.

**Continuation of RMD**
A terminated participant who is age 70.5 must receive at least the Required Minimum Distribution (RMD) each year. Current law does not address whether the plan can suspend RMDs if a participant rehires. The likely answer is no; RMDs will continue to the participant if rehired.

**Start Over on Distribution Delay**
ESOPs are allowed to delay distributions up to five years after the year in which a participant terminates. For example, a participant terminates in 2017 and is eligible for a distribution in 2022. However, if the participant rehires in 2019 and terminates again in 2021, the participant is now eligible for a distribution in 2026.

**Summary**
Your plan document includes provisions regarding crediting service for eligibility and vesting, and timing for reinstating a previously forfeited balance for a rehired employee. It may address what happens if a terminated participant receiving installment payments rehires.

Following the plan provisions and applying policy consistently is key, along with seeking assistance from your third party administrator and your ESOP legal counsel.

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**An Introduction to ESOP Valuation**
Do you have questions about ESOP valuations? This publication offers a clear explanation in simple language. This is the perfect item for professional members to give to potential clients or for corporate members to distribute to employee owners. The publication contains a valuable glossary of ESOP valuation terminology.

Members $12.00  Non-Members $38.00

Visit our website, www.esopassociation.org or call (202) 293-2971 to purchase.
We also worked with Oceguera to create a Certified Employee Owner (CEO) program that can be used to introduce new employees to the participative environment that now exists at DMS.

It turns out there was never any employee resistance to acting like owners at DMS. Many employees simply did not know how innovation and improvement were part of the business’s success.

In addition, they did not have much practice in sharing their ideas and trying out new ideas. DMS is in the business of providing accuracy for clients—they have a culture where no errors should go “out the door.” The company is filled with talented people who get the details right, follow processes, and avoid errors.

The idea of exploring automation or experimenting with innovation was uncharted territory for employees and their supervisors. For this reason, these new methods of thinking are included in all employee training.

DMS Today
McDole’s health recovered and she says, “Now I have an opportunity to watch this amazing team move forward together.” With some resolve, a framework, and training, the employee owners at DMS showed that you can speed up the process of transitioning business responsibilities to an engaged team.

Oceguera sums up the changes at DMS in the last few years like this: “Now we have the confidence to collaborate, try new things, and learn from what is working and what is not yet working.”

Corporate Members Provide ESOP PAC Authorizations
The following corporate members of The ESOP Association have granted the ESOP PAC permission to contact some or all of their employees to solicit donations. On behalf of the entire ESOP community, The ESOP Association expresses sincere appreciation to these companies for their willingness to receive ESOP PAC solicitations.

Anchor Paper Company
Carter Myers Automotive
Chart Rehabilitation Of Hawaii
Crop Quest, Inc.
Fastener Industries, Inc.
Geo Labs, Inc.
Gipe Associates Inc.
Inheritance Funding
Johnson, Mirmiran, & Thompson
Lambro Industries, Inc.
Majors Plastics
Miers Insurance
Wiley | Wilson
pockets. But that ignores the fact that elected officials incur legitimate expenses in running campaigns so they can return to office—where they will continue to support you and your views.

Taxpayers do not pay for election expenses. A potential legislator’s campaign (and the related campaign funds) pay those expenses, which can be quite extensive. Why wouldn’t you want to help a legislator who supports your views win re-election?

Think about a charity you support. Do you send money to that charity to “buy” its support?

No, you send money so you can help pay the legitimate expenses that charity incurs while doing the work it is committed to doing.

Just as charity organizations need money to pay for legitimate expenses such as computers, real estate, insurance, and payroll costs, elected officials need money to pay for campaign staff, consultants, advertisements, and the costs involved in running a campaign office.

As the late godfather of the ESOP—Senator Russell Long of Louisiana—told audiences over and over, those interested in politics want two things: to get elected, and to get re-elected.

No one ever helped a cause they believe in by sitting at home watching someone else lead. And if the people who support our causes can’t pay their campaign staff or their electricity bills, sitting at home is exactly where they will end up.

Ultimately, Senator Long’s point was that anyone who wants to serve your interests in the legislature needs both your vote and your financial support so they can reach out to other voters who think as you do.

**Why Talk About This?**

Why is this subject worth revisiting only three months after my first column?

Because too often the feedback I heard on my first column was that we should kill the ESOP PAC because it is an example of what is wrong with our nation.

I suggest that the laws of this country are working just fine and prevent any trade association PAC from exerting undue influence on a candidate. (As I wrote in April, entities known as 501(c)(4)s are all but free from restrictions that limit how much money they can give to a candidate.)

Further, our PAC supports only those men and women who support us first. And we want ESOP supporters to get re-elected and to continue serving in the legislature.

We can never have too many supporters. No one stays in Congress forever, and the people who support ESOPs today may resign, retire, or lose an election tomorrow.

And there will be days—and fights in Congress—when we will need every single supporter we have. The ESOP PAC does not have access to millions of dollars from billionaires, as do 501(c)(4)s. Its funding comes only from the men and women in America who value being part of the ESOP community.

If you feel the ESOP PAC is a sign of what’s wrong with our political system, as opposed to a way of helping ESOP supporters stay in office—then I will respectfully disagree with your opinion.

Personally, I want to see positive ESOP law promoted by members of Congress so that everyone can become an ESOP participant and gain personally and professionally from being an employee owner.

**We can never have too many supporters. No one stays in Congress forever, and the people who support ESOPs today may resign, retire, or lose an election tomorrow.**

**Why Employee Ownership Was the Right Choice for America**

What do Independence Day, ESOPs, and fishing have in common? More than you might think.

During the Revolutionary War, the British attempted to wipe out America’s Cod fleet because it was a critical part of our economy and a source of able hands for America’s growing Navy. Those efforts left the industry crippled years after the last musket was fired in Yorktown.

What was best way to rebuild the fleet? By ensuring employee ownership was available to all, said George Washington, John Adams, Thomas Jefferson, James Madison, and Alexander Hamilton.

*The Citizen’s Share*, written by professors Joseph Blasi, Richard Freeman, and Douglas Kruse, traces the development of employee ownership throughout American history and explains how today’s economy can, and will, benefit from the basic principles of employee ownership and profit sharing.

The book starts with the founding fathers and the foundation of America but quickly gets into the modern day ESOP experience. For example, one study, conducted in 2000, found that ESOP firms had, “significantly higher sales growth and higher sales per worker” compared to similar companies without ESOPs.

Increased motivation, productivity, and morale are the tip of the iceberg when it comes to ESOP benefits. *Excerpted from The ESOP Association Blog. See the full post at www.esopassociationblog.org.*