



Securities Industry Association

1401 Eye Street, NW • Washington, DC 20005-2225 (202) 296-9410 • Fax (202) 296-9775 •
www.sia.com, info@sia.com

October 16, 2002

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

Dear Speaker Hastert:

On behalf of the Securities Industry Association¹ (SIA), I am writing in support of the investor relief legislation that will be considered by the House of Representatives today. This legislation will bolster the interests of taxpayers of average wealth where we have seen share ownership in the financial markets grow exponentially over the past decade. For these investors, retirement plans hold the key to their financial security. According to the latest SIA Equity Ownership Survey, investors maintain more than one half of their financial assets in retirement accounts.

With so many investors relying on tax-preferred savings vehicles, Congress should do more to bolster Americans' confidence by giving them the tools they need to enhance their retirement security. The provisions of *H.R. 5558, The Retirement Savings and Security Act* accelerate the changes to retirement plan contribution and benefit limits that were approved overwhelmingly by the House in the 106th and 107th Congress. These changes will allow taxpayers currently participating in tax-preferred savings vehicles to save additional amounts and encourage taxpayers who have put off participation in a retirement account to start saving. At the same time, the proposal will make plan sponsorship more attractive to employers who have put off establishing a retirement plan for their employees.

¹ The Securities Industry Association brings together the shared interests of nearly 700 securities firms to accomplish common goals. SIA member firms (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. The U.S. securities industry manages the accounts of nearly 80 million investors directly and indirectly through corporate, thrift, and pension plans, and generates \$358 billion of revenue. Securities firms employ approximately 760,000 individuals in the United States. (More information about SIA is available on its home page: <http://www.sia.com>.)

The Honorable J. Dennis Hastert
Page 2
October 16, 2002

Another important provision in the legislation increases the age of minimum required distributions from age 70 ½ to 75, better reflecting increased life expectancies. As a result, fewer retirees and older workers will be forced to take premature distributions from their retirement accounts and will avoid the potential that their accounts will be depleted while they are still living. This change will not lead to tax avoidance because the assets will begin to be distributed during the owner's life and ultimately, will begin to be taxed at the death of the owner, entirely independent of the existence of the estate tax.

SIA urges all members to support the investor relief package. We look forward to working with you on this and other important legislation that encourages savings and investment.

Sincerely,

Marc E. Lackritz
President

Steve Judge
Senior Vice President,
Government Affairs