



NEWS

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Retirement Savings Accounts (RSAs) Are Key to Retirement Security

Rep. Sam Johnson's (R-Tex.) proposal would pave the way toward tax-free retirement accounts.

WASHINGTON – With tens of millions of baby boomers beginning to retire in so short a time, retirement policy is becoming less and less a snoozer on Capitol Hill and more and more an issue where trailblazing politicians are leading the charge on reforms.

One such reform is U.S. Rep. Sam Johnson's (R-Tex.) Retirement Savings Accounts (RSAs) legislation to expand the amount one can contribute, and eliminate the restrictions on income in existing policy. President Bush's fiscal year 2005 budget called for the creation of Lifetime and Retirement Savings Accounts to expand personal savings by abolishing the double tax on savings and simplifying the complexity of the current rules. The proposal is a central issue for taxpayer advocates everywhere.

“Saving up for retirement should be straight-forward and tax free,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington. **“Axing the double tax on savings and simplifying the existing rules is not only brilliant policy – it should be the mantra for every candidate and elected official going after the investor vote.”**

Rep. Johnson's legislation creates RSAs to be used for retirement saving and will allow an individual, to contribute up to \$5,000 a year into his or her account. Retirement Savings Accounts (RSAs) will allow individuals to contribute up to \$5,000 a year (in addition to the amounts contributed to an LSA) and works like a Roth IRA. The proposal greatly simplifies existing IRA rules, which will encourage more savings and hence be used to supplement social security and labor earnings in retirement. Rep. Johnson introduced Lifetime Savings Accounts legislation last March.

“Eliminating income limits and expanding the tax free accounts hurts no one and helps everyone,” continued Norquist. **“It will increase savings levels, drive more money into investments, and give every American more control over their financial destiny. There is really no reason to oppose this policy.”**

Americans for Tax Reform considers RSAs a first-rate legislative policy, and will be communicating the benefits of RSAs with its hundreds of thousands of members nationwide, lobbying members of Congress. For more information on RSAs and retirement policy, visit ATR's website (www.atr.org).

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.

