

MEMO# 6437

December 8, 1994

CONGRESS AND ADMINISTRATION CONSIDERING IRA EXPANSION

December 8, 1994 TO: BOARD OF GOVERNORS No. 121-94 MEMBERS - ONE PER COMPLEX
No. 92-94 RE: CONGRESS AND ADMINISTRATION CONSIDERING IRA EXPANSION

The Republican "Contract," expected to be acted on in the first 100 days of the new Congress, includes a provision to create a tax-advantaged savings account (described in attachment E). The Administration also is reportedly considering middle class tax relief proposals which could include tax incentives to encourage individual savings. Earlier this year more than half the Senate and almost half the House of Representatives cosponsored legislation to restore the universal availability of a fully deductible Individual Retirement Account. All this suggests a real opportunity for enacting IRA expansion in early 1995. To support the Institute's efforts to expand the IRA, we recommend that: -- Your firm's executives write Members of Congress and the White House to urge support of an expanded Individual Retirement Account; -- Follow-up efforts be made to meet or speak on the phone with Members of Congress as soon as possible; and -- You contact your shareholders about this legislative opportunity and ask them to send letters of support to Members of Congress and the White House. While these letters should be written in your own words, attached are suggested points for inclusion in a letter (attachment A). Also attached you will find: additional points to use with your shareholders (attachment B); a list of policymakers to contact (attachment C); and an Op-Ed piece that the Institute will distribute nationally (attachment D). Please send a blind copy of your correspondence to Michael Stern of the Legislative Affairs Department, and advise him of any response to your communication. Should you require additional information, please contact the Legislative Affairs Department at (202) 326-5890. -2- For informational purposes only, a copy of this memo has been sent to your firm's representatives on the following Institute Committees: Federal Legislation Committee Government Affairs IRA Issue Group Pension Committee Public Information Committee Regional Working Groups Shareholder Communications Committee Tax Committee No action was requested of them. We very much appreciate your assistance in connection with our efforts to expand IRA coverage. Matthew P. Fink President

Attachments