

**MEMO# 2493**

January 24, 1991

## **BENTSEN PROPOSES UNIVERSAL "SUPER" IRA**

January 24, 1991 TO: PENSION COMMITTEE NO. 1-91 RE: BENTSEN PROPOSES UNIVERSAL  
"SUPER" IRA \_\_\_\_\_ Senator Lloyd

Bentsen circulated the attached letter to his colleagues dated January 23, 1991 requesting Congressional support for legislation to create a Super IRA. A fact sheet on the Super IRA proposal also is attached. The Super IRA would restore the universal IRA and also create a second type of IRA. Contributions to the new IRA would not be deductible, but all distributions from the new IRA would be tax-free as long as assets remained in the account for at least 5 years. The Super IRA would permit penalty free withdrawals by the account owner, his parents or grandparents to pay for first home purchases, educational expenses and financially devastating medical expenses. Penalty free withdrawals for such purposes would also be available under 401(k) plans and 403(b) arrangements. A meeting was previously scheduled for February 5, 1991 at 2:00 p.m. to discuss the parameters for an Institute designed legislative proposal to provide a simple retirement plan for small employers. We will also discuss the Super IRA proposal at this meeting and review the legislation if it has been introduced by that date. Therefore, it would be expedient if you could attend the meeting with a marketing representative from your organization. Please call Wynetta Singhateh at 202/955-3525 if you and anyone else from your firm will be able to attend the meeting and luncheon at 1:00 p.m. The meeting will take place in the Institute's fifth floor conference room, but may be moved to a larger location if necessary. If you have any questions with regard to the meeting, please call me. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel

Attachments