

ICI VIEWPOINTS

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401(k) Plans: Key in Helping Americans Achieve Secure Retirement

I submitted the following letter to the New York Times in response to a recent column on 401(k) plans:

The recent article, "[Should the 401\(k\) be Reformed or Replaced](#)" (Business Day, September 11), asks the wrong question.

401(k) plans play a key role in helping Americans achieve a secure retirement. 401(k)s have a remarkable track record of success in providing Americans incentives to save, invest, and think long-term. [As of March 2012, Americans held \\$3.4 trillion in 401\(k\) plans.](#)

Critics incorrectly claim that 401(k) tax benefits help only the wealthy. In fact, 401(k) participants hail from all income groups. Recent [ICI research](#) shows that savers in all tax brackets benefit strongly from deferred taxation of 401(k) contributions.

The question is not whether to "reform or replace" 401(k)s, which are an integral part of our nation's retirement system. Our challenge is to build on the success of these popular plans.

You can learn more about 401(k) plans at ICI's [401\(k\) Resource Center](#).