

NEWS RELEASE

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ICI Commends Chairman Thomas for Advancing Key Retirement Legislation, November 2005

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Washington, DC, November 9, 2005 - Investment Company Institute President Paul Schott Stevens today commended Congressman Bill Thomas (R-CA), Chairman of the House Ways & Means Committee, for advancing comprehensive legislation geared to helping Americans prepare for retirement - H.R. 2830, entitled "The Pension Protection Act of 2005." The Act was introduced by Congressman John Boehner (R-OH) and approved by his House Education and the Workforce Committee [earlier this year](#).

"We applaud Chairmen Thomas and Boehner for this very important legislation and for their leadership in maintaining attention on the growing retirement savings dilemma," said Stevens. "Clearly, due to demographic trends, many public and private pension plans are unsustainable. Inescapably, individuals need to take on more responsibility for their retirement security. This legislation is an important step in strengthening the retirement preparedness of all Americans."

In particular, H.R. 2830 proposes several key measures to address retirement security:

- Making permanent the higher annual contribution limits for IRAs and qualified pension plans, including the "catch-up" provisions for individuals age 50 and older. These measures, enacted in 2001, are scheduled to expire in 2010;
- Encouraging employers to offer automatic enrollment in qualified retirement plans. Currently, most workers must choose to participate in these plans. Automatic enrollment would enroll them in the plans unless they specifically choose not to participate. [Studies have shown employee participation](#) - and therefore their readiness for retirement - rises significantly under automatic enrollment scenarios;
- Providing more widespread access to investment advice for defined-contribution plan participants. Currently, employers are reluctant to provide access to advice due to uncertainty about their fiduciary responsibilities and prohibited transaction laws;
- Facilitating direct deposit of tax refunds into IRAs; and
- Making permanent the SAVER's Credit so that low- and moderate-income workers continue to receive valuable support in saving for retirement.

The Investment Company Institute is the national association of the U.S. investment company industry. ICI's membership includes mutual funds, exchange-traded funds, closed-end funds and unit investment trusts. ICI is a leading provider of authoritative research on

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