

March 19, 2001

The Honorable

Dear Representative :

On behalf of the Credit Union National Association and the 80 million credit union members nationwide, I am writing to encourage you to support H.R. 10, the *Comprehensive Retirement Security and Pension Reform Act*.

Given that the national savings rate is at an all-time low, passage of this bill would be an important step in ensuring overall financial self-sufficiency for all Americans, as well as a greater degree of economic independence for those of retirement age. CUNA strongly supported similar efforts in the 106th Congress, and continues to believe that increasing IRA and 401(k) contribution limits, along with the simplification of complex pension laws, will ensure that more Americans have the tools necessary to save for retirement. Additionally, CUNA applauds efforts to return to consumers more of their hard-earned money for saving and investment, as well as for payment of existing debts.

The current annual contribution limits are not indexed for inflation, and have remained at \$2,000 since 1981. If contribution levels had simply been adjusted for twenty years of inflation and cost of living increases, the IRA contribution level would be more than \$5,000 today. This legislation would remedy this oversight by raising the annual contribution limit from \$2,000 to \$5,000. Also, the bill's increase of the annual limit of 401(k) contributions from \$10,500 to \$15,000 would greatly enhance the retirement security of all working Americans.

We strongly support this farsighted approach to the complicated retirement issues facing American consumers, and look forward to working with you to gain passage of this important legislation.

Sincerely,

Daniel A. Mica
President & CEO