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Rep. Akin Cosponsors Bill to Encourage Savings  
H.R. 10 modernizes pension laws, raises limits for retirement

Washington – More Americans would be able to save for retirement and contribute to private pension plans under legislation that the House of Representatives is considering today.

“By raising IRA contribution limits we allow Americans to save more of what they earn,” said Akin, who is a cosponsor of H.R. 10. “It will also be easier for people to take retirement savings accounts from job to job, and encourages small businesses to offer pension coverage for their employees.”

The Comprehensive Retirement and Pension Reform Act, H.R. 10, modernizes pension laws and allows Americans to set more of what they earn aside in IRA or 401 (k)-type plan.

Key provisions of the bill include:

**Individual Retirement Accounts:** The current \$2,000 IRA contribution limit would increase to \$5,000 and be indexed for inflation thereafter.

**Increased Pension Contributions:** The limit on salary reduction contributions to 401(k)-type plans would be increased from \$10,500 today to \$15,000 by 2005.

**Catch-up Pension Contributions:** Workers over 50 could contribute up to \$5,000 in “catch-up” contributions for 401(k)-type plans.

**Faster Vesting and Pension Portability:** Workers would become vested and eligible for employer matching contributions in 3 years, rather than 5. 401(k)-type pensions would be made portable so workers could more easily roll over and consolidate retirement savings into a new plan when they change jobs.

**Regulatory Relief to Encourage Small Business Pension Growth:** Laws would be modernized to encourage all businesses to offer pension plans.