

# Planning For Your Future

## Helping Americans Save For Retirement

(NAPSA)—The retirement of the boomer generation, and the generations that follow, won't be like the retirement of their parents and grandparents, since approximately half of the American workforce does not have access to any kind of retirement savings plan at work.

Fortunately, some in Congress are working on ways to make it easier to save for retirement.

Saving for retirement can be a source of anxiety for the 75 million Americans who don't have a traditional pension and don't have the opportunity to save for retirement through their jobs with, for example, a 401(k) plan.

To retire comfortably, the average American needs to replace about 70 percent of his or her annual income. When most individuals retire, 40 percent of that wage replacement comes from Social Security while another 30 percent will come from a 401(k) or IRA, from traditional savings and maybe even from working.

Nearly two-thirds of current retirees rely on Social Security for most of their income and nearly half of all 65+ Americans, especially women and minorities, would fall below poverty without it.

Proposed legislation known as the Automatic IRA Act of 2007 has been introduced in the House of Representatives (H.R. 2167) by Representatives Richard Neal (D-MA) and Phil English (R-PA) and in the Senate (S. 1141) by Senators Jeff Bingaman (D-NM) and Gordon Smith (R-OR).

Auto IRAs will allow employees who do not have access to or who are not otherwise eligible to participate in an employer's retirement plan to save for retirement through payroll deduction, but without the employer having to sponsor such a plan.

Once the bills pass, approximately half the workforce will be eligible to participate in an automatic IRA arrangement through an employer.

According to research conducted by AARP, 76 percent of Americans would like to have workplace IRAs as an option to help people save for the future.

Americans need peace of mind about their future long-term financial security and the Automatic IRA Act can help to bring that peace of mind.

Americans can let their representatives know how they feel about this legislation.