

## Congress and the President Give Americans An Opportunity To “Catch Up” On Retirement Savings

by Kathy Hamor

(NAPSA)—There’s good news and bad news about life in America today. The good news is, Americans are living longer (and within the next ten years, 76 million baby boomers will begin to retire). The bad news is, these people are not saving enough to ensure a secure retirement.

Fortunately, the challenge of these demographic realities was addressed by Congress and the President when the tax relief bill was passed and signed into law. It contains a provision that will help Americans “catch up” on their retirement savings with a chance to save more in a tax-favored retirement vehicle. This “catch up” contribution will allow Americans age 50 and older to contribute an additional \$500 next year and, by 2006, an additional \$1,000 to their Individual Retirement Accounts (IRAs).

For years the IRA has been an invaluable savings vehicle for more than 40 million working American households. This new feature will give these people a chance to save even more for a retirement that looms just around the corner.

There is a realization that there are times when Americans are not saving enough for retirement due to raising a family, putting children through college, or caring for elderly parents. This catch up contribution to their IRAs will provide those Americans with an opportunity to save more. That can help to make their retirements more financially secure. This feature is



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especially important for women who may have left the workforce to raise children and have rejoined it later in life. This is especially important since women have a longer life expectation than men. For women in retirement, an already strained retirement dollar has to stretch further and this will help with that.

This tax bill contains many provisions that will help Americans in a variety of ways. The IRA catch up contribution is a hidden jewel that will benefit many Americans for whom retirement is imminent. Those aged 50 and older may have finally found a benefit to getting older—a chance to save more for retirement!

• *Ms. Hamor is the Executive Director of the Savings Coalition of America. The Savings Coalition of America was established in 1991 to support incentives to increase personal savings in the United States.*