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BAUCUS LOOKS FOR WAYS TO PROMOTE RETIREMENT SAVINGS THROUGH TAX REFORM

Finance Chair: We Need to Ensure Our Retirement System Works for Future Generations

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today said as tax reform boosts our economy and helps create jobs, it must also improve the incentives to help Americans save for retirement. At a committee hearing, Baucus noted recent trends in retirement plans, as the baby boom generation ages, are leaving more people without a cushion of savings and entirely dependent on Social Security and examined options to solve that problem.

“Americans approaching retirement need to know they will be able to live securely and comfortably,” said Baucus. **“America has the best private retirement system in the world, but for the amount we spend in tax expenditures for retirement savings incentives, we need to make sure we’re getting the best bang for our buck. And as more baby boomers approach retirement, we need to ensure our retirement system can meet the needs of generations to come.”**

At the hearing, Baucus discussed the ways retirement savings have changed over the last several decades and how those changes are leaving many seniors without the resources to maintain a comfortable retirement. The General Accounting Office found that the median retirement account balance for Americans ages 60 to 64 was \$60,600, meaning the average retiree can only spend about \$4,200 per year above Social Security, given current life expectancy. That same report indicated that nearly 30 percent of all Americans in the workforce for 25 or more years had zero retirement savings. Baucus asked the witnesses how tax reform can provide the solution by reforming the benefits that apply to pensions, Individual Retirement Accounts and employee stock ownership plans.

The Finance Committee began its examination of the code last September with a series of hearings reviewing previous reform efforts and the need for tax reform. Today’s hearing was part of a set of hearings addressing policy options for the major issues related to tax reform. Last week, Baucus called for [international tax rules](#) that promote American jobs and economic growth. Yesterday, Baucus said [high-earners must contribute](#) a fair share to deficit reduction in order to spare deep entitlement cuts. Watch today’s and all past hearings and view witness testimony on the Committee website at <http://finance.senate.gov/hearings/>.

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