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CARDIN CO-SPONSORS BILL TO PROTECT RETIREMENT SAVINGS DURING VOLATILE ECONOMIC TIMES

WASHINGTON – U.S. Senator Benjamin L. Cardin (D-MD), a member of the Senate Budget Committee, today voiced his support for the *Worker, Retiree and Employer Recovery Act of 2008* (S. 3361), which will protect the savings of America’s seniors invested in individual retirement plans with a one-year moratorium on the required minimum distributions (RMD). The legislation Senator Cardin is co-sponsoring was introduced by Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Chuck Grassley (R-IA), Senate HELP Committee Chairman Edward Kennedy (D-MA) and Ranking Member Mike Enzi (R-WY). It is similar to legislation then-Congressman Cardin sponsored in 2005 while a member of the House Ways and Means Committee.

“American seniors should not be penalized for our nation’s economic downturn. Forcing seniors to take a loss on their investments just because they reached age 70 ½, after they worked hard all their life to save for retirement, is simply unfair,” said Senator Cardin. “This bill will help secure seniors’ savings during such a volatile time for worldwide financial markets. It also will help reduce the real fear many retirees are feeling as they see their retirement account balances go down and down further.”

Current law requires that seniors who reach the age of 70 ½ must begin to take a required minimum distribution from their individual retirement accounts. With the state of the financial markets, such mandatory cash-outs could result in a loss of thousands of dollars for up to 400,000 retirees in Maryland who are over age 70 ½.

In addition to critical modifications to pension distribution requirements for seniors, the *Worker, Retiree and Employer Recovery Act of 2008* includes changes to pension requirements for businesses, as well as provisions included in the *Pension Protection Technical Correction Act of 2008*, originally passed by the Senate in December 2007 and the House in March and July of this year. The bipartisan package also extends for one year business-tax relief that was included in the first economic stimulus package, and allows companies to write off a greater percentage of their investments in business assets to free up cash for payroll and other expenses.

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