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February 26, 2010

Vice President Joe Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Vice President Biden:

AARP appreciates the work of the Middle Class Task Force on retirement security and family caregiving issues. These are important issues to AARP members and their families that affect their health and financial security and well-being. Many individuals and their families have seen their retirement savings decline and family budgets dwindle. Many families are caring for their loved ones, including individuals in the “sandwich generation,” who are caring for their older parents and their children simultaneously.

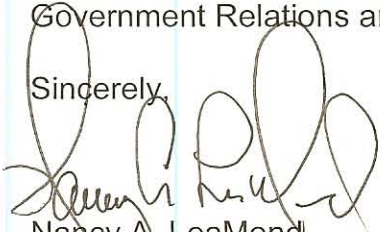
AARP is pleased that the Middle Class Task Force has proposed increased funding for the National Family Caregiver Support Program, home and community-based services that help older adults live in their homes, and the Lifespan Respite Care Program. Approximately 65 million Americans provide care to a loved one, with family caregivers giving about \$375 billion worth of unpaid care a year—often at their own emotional and financial expense. AARP strongly supports increased funding for these programs that provide critical services to family caregivers, such as respite care, training, counseling, information and assistance in locating services, as well as transportation, personal care, adult day care, and other services to help individuals remain in their homes and communities. The vast majority (89 percent) of individuals age 50 and older want to remain in their homes and communities for as long as possible. Family caregivers help many individuals do just that and are the backbone of long-term services and supports in this country. The Middle Class Task Force's proposal takes an important step to support individuals in their caregiving roles.

AARP also appreciates the inclusion of the Automatic Individual Retirement Account (Auto IRA) proposal in the Middle Class Task Force's recommendations. Currently, around 78 million workers in the United States – half of the American workforce – have no access to a retirement savings plan at work. As a result, the vast majority of these Americans will very likely be financially ill-prepared for their retirement years. Auto IRA will provide an easy way for Americans to save for their retirement at work through payroll deductions, to invest in accounts they can take with them when they change jobs, and most importantly, to feel more secure about their financial future. AARP firmly believes that all Americans should have access to a simple way to save for retirement at work and strongly supports Auto IRA.

Vice President Joe Biden
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The Auto IRA and caregiving proposals would help strengthen retirement security and support caregivers helping their loved ones. We commend you and the Middle Class Task Force for your leadership on these issues. If you have any further questions, please feel free to contact me, or have your staff contact Tom Nicholls or Rhonda Richards of our Government Relations and Advocacy staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy A. LeaMond". The signature is fluid and cursive, with the first name being the most prominent.

Nancy A. LeaMond
Executive Vice President
Social Impact



February 22, 2010

Dear Mr. Vice President:

I am delighted to have the opportunity to endorse the Automatic IRA that is contained in your Middle Class Task Force Initiatives. This common sense method to allow millions of Americans to save some of their own money for retirement was first developed jointly by The Heritage Foundation and the Brookings Institution. In the last election, it was endorsed by both the Obama and McCain campaigns, and has received wide support from publications as diverse as the New York Times and the National Review.

As I have written and testified in the past, often jointly with Mark Iwry, who is now with the Treasury Department, the Automatic IRA is simple for an employer to implement, and simple for a worker to understand. While many focus on the value of the Automatic IRA to a new saver, it would be equally valuable to older workers who change jobs from a company that offers a 401(k) plan into a smaller company that has only the Automatic IRA. Under the proposal, that worker could combine his or her old accounts into an Automatic IRA that allows the worker to continue saving. Data show that most workers change jobs as many as 10 times during a career, and without the ability to continue saving through payroll deduction, many workers will have gaps in their saving history that could endanger their ultimate security.

We are delighted that your task force has included the Automatic IRA in its report, and look forward to its being implemented.

Sincerely,

David C. John
Senior Research Fellow



The Honorable Joseph R. Biden, Jr.
Office of the Vice President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20501

February 24, 2010

Dear Vice President Biden:

CFED writes to applaud the Middle Class Task Force's endorsement of Saver's Credit reform and automatic enrollment in retirement savings plans. These are critical savings and wealth-building proposals that will enable millions of low- and moderate-income Americans to build up long-term savings and attain financial security. President Obama and you recognize that income alone is not adequate to achieve financial self-reliance: a financial cushion or nest egg enables families to plan for the future and manage financial shocks.

To meet our goal to expand economic opportunity, we support these legislative initiatives:

- The Saver's Credit, originally designed to provide a saving incentive for low- and moderate-income households, is drastically underutilized. CFED supports the President's reform proposal that would extend the Saver's Credit to approximately 50 million households! CFED leads the effort to build private and public sector support for Saver's Credit expansion with the recent launch of the Saver's Credit Alliance, a group of forward-thinking national organizations supporting an expanded Credit.
- Extending automatic payroll-based retirement saving opportunities to a majority of the 78 million employees currently without access to a retirement plan at work builds an infrastructure for savings and investment. Only fiftytwo percent of households now own a retirement savings plan : low-income workers are much less likely to save for retirement than their higher-income counterparts. The majority of lowincome workers — more than 92% — do not participate in a 401(k) type plan because many of them are not offered a retirement plan by their employer. Only 37% of those earning under \$30,000 annually have access to a retirement account at work.

Automatic enrollment, complemented by an expanded Saver's Credit, will enable lower-income families to participate in, contribute to and benefit from the nation's savings structure. We appreciate your leadership.

Sincerely,

Andrea Levere
President

February 24, 2010

Vice President Joe Biden
Office of the Vice President of the United States
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20501

Dear Mr. Vice President:

The Retirement Security Project (RSP) research shows that Automatic IRAs and expansion of the Saver's Credit will help increase retirement savings, an important goal for financial stability for all Americans.

The Retirement Security Project is part of The Brookings Institution's Economic Studies Program and is dedicated to promoting common sense solutions to improve the retirement income prospects of millions of American workers. For examples of RSP proposals on Automatic IRA and Saver's Credit please go to:

http://www.brookings.edu/papers/2009/07_automatic_ira_iwry.aspx

http://www.brookings.edu/articles/2004/0503saving_gale.aspx

Nearly half of American workers – an estimated 78 million – currently have no employer-sponsored retirement savings plan. The Automatic IRA, which was developed by RSP and the Heritage Foundation, is designed to help fix this problem. Employers facilitate employee saving without having to sponsor a 401(k)-type plan, make matching contributions or process complex eligibility rules. Employees are enrolled automatically into an IRA, unless they choose to opt out, and retain the option to choose how much and where to save. Automatic IRAs also offer saving options for the self-employed, for independent contractors, as well as continuity of saving for those who are changing jobs. The Automatic IRA has wide bipartisan support and was endorsed in 2008 by both the McCain and Obama campaigns.

Our research also supports proposals to expand and improve the Saver's Credit by making it fully refundable. The Saver's Credit is an incentive for middle- and lower-

income taxpayers to save in 401(k)s and IRAs. The Retirement Security Project found that more than 69 million tax filers had incomes low enough to be eligible for the Saver's Credit in 2007. However, nearly 45 million of these filers actually failed to qualify for the credit because they had no federal income tax liability. If the Saver's Credit was made refundable, these 45 million additional tax filers would have qualified for it had they contributed to retirement savings.

Sincerely,

A handwritten signature in black ink, appearing to read 'William G. Gale', written in a cursive style.

William G. Gale
Director, Retirement Security Project
Senior Fellow, The Brookings Institution

A handwritten signature in black ink, appearing to read 'David C. John', written in a cursive style.

David C. John
Deputy Director, Retirement Security Project
Senior Research Fellow, The Heritage Foundation