

ICI Comment on President Obama's Retirement Savings Remarks in the State of the Union Address

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Washington, DC, January 28, 2014 – *The Investment Company Institute (ICI) made the following statement today about the retirement savings offering, called “myRA,” announced by President Obama in his annual State of the Union address, as well as his comments about retirement tax incentives:*

“ICI is a strong supporter of efforts to expand access to retirement savings opportunities and welcomes the Administration’s decision to offer a new savings vehicle for that purpose. As we understand it, the ‘myRA’ account is designed to provide a simple retirement savings option for those Americans who want to put aside money for retirement but might not have access to a retirement plan through their employer, and we support that goal. A voluntary savings tool of this type can complement the existing vibrant and competitive private sector retirement offerings, which include low-cost mutual funds.

“While we welcome the President’s effort to create new retirement savings opportunities, it is with regret and deep concern that we heard his comments about reducing the retirement tax incentives that have been part of the foundation for the success of the private sector retirement system for all Americans, including hard-working middle income Americans.

“The retirement savings tax treatment in place today [benefits Americans across all income levels](#) and encourages employers to offer, and workers to participate in, both defined contribution plans, such as 401(k)s, and traditional defined benefit plans. We will continue to work with policymakers to ensure they understand retirement taxation and the role it plays in all Americans’ retirement preparedness opportunities.

“The U.S. retirement system is strong and is working for millions of Americans—but we can and should do more to build on its successes. That includes preserving [the benefits of tax deferral](#) for all savers working to build their nest eggs.”

For more information about retirement plan taxation, please see [ICI's recent blog post](#) on the topic.

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