

# SENATE BILL REPORT

## SJM 8052

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As Passed Senate, February 12, 2004

**Brief Description:** Requesting that the congressional delegation of the state of Washington work to pass lifetime and retirement savings accounts.

**Sponsors:** Senators Benton and Roach.

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 2/3/04 [DP].

Passed Senate: 2/12/04, 44-3.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Berkey, Murray, Prentice and Roach.

**Staff:** Joanne Conrad (786-7472)

**Background:** Many economists, financial advisors, government analysts and citizens are concerned about the effects of America's low savings rate, which tends to be much lower than many other industrialized nations. At the current rate of savings, future consequences could include inadequate retirement and emergency savings, as well as inhibited investment capital.

**Summary of Bill:** The Washington State federal Senators and Representatives are requested to enact the "Lifetime Savings Account," allowing contributions of up to \$7,500 per year with penalty-free withdrawals at any age for any purpose; and the "Retirement Savings Account," allowing contributions of up to \$7,500 per year with penalty-free withdrawals beginning at age 58.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Testimony For:** This is needed because Americans are not saving enough. Current IRAs are more restrictive than RSAs would be. Flexibility of LSAs and RSAs would encourage more people to save.

**Testimony Against:** None.

**Testified:** Senator Benton, prime sponsor (pro).