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October 14, 2008

The Honorable Henry Paulson
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson:

As the economic crisis continues to plague my constituents across eastern Connecticut, I urge you to take specific steps to protect retiree benefits.

Senior citizens, especially those over the age of 70 ½, are finding themselves in a financial quandary. Many have seen their retirement savings erode while at the same time are forced to withdraw a required minimum distribution (RMD) from their accounts or face a stiff penalty.

I urge you to immediately relax this requirement so that seniors neither have to deplete their nest eggs nor pay a 50 percent penalty for not making the RMD. It is an unfair double economic hit that senior citizens should not be forced to take.

The Congressional Budget Office estimates that retirement plans have lost nearly 20 percent -- nearly \$2 trillion -- since June 2007. Ten percent of those losses occurred in just the past three months. Further losses will exacerbate our economic recovery.

I urge you to immediately relax the RMD requirement for 2008, and extend that practice into 2009, so that millions of senior citizens will not further deplete their retirement savings, and instead lead healthy and productive lives for years to come.

Sincerely,

JOE COURTNEY
Member of Congress