

FACT SHEET: Opportunity for All: Securing a Dignified Retirement for All Americans

Creating the “myRA” – a Simple, Safe, and Affordable Starter Savings Account to Help Millions of Americans Start Saving for Retirement

- **Starter Savings Account: Making It Easier to Start Saving for Retirement.** This product is targeted to the many Americans who currently lack access to workplace retirement savings plans or looking to supplement a current plan, which is usually the most effective way to save for retirement. Starting to save is just the first step towards a secure retirement and to help more Americans save for their future.
- **Safe and Secure: Principal Protection So Savers’ Account Balance Will Never Go Down.** The product is offered via a familiar Roth IRA account, and savers will benefit from principal protection, so the account balance will never go down in value. The security in the account, like all savings bonds, will be backed by the U.S. government. Contributions can be withdrawn tax free at any time.
- **User-Friendly for Savers: Portable Account with Contributions that Are Voluntary, Automatic, and Small.** Initial investments could be as low as \$25 and contributions that are as low as \$5 could be made through easy-to-use payroll deductions. Since it is like a Roth IRA savers have the option of keeping the same account when they change jobs and can roll the balance into a private-sector retirement account at any time.
- **Favorable Investment Return: Same Secure Investment Return Available to Federal Employees.** Savers will earn interest at the same variable interest rate as the federal employees’ Thrift Savings Plan (TSP) Government Securities Investment Fund.
- **Widely Available: Available to Millions of Middle Class Americans through Their Employer.** This saving opportunity would be available to the millions of low- and middle-income households earning up to \$191,000 a year for couples and up to \$129,000 for individuals. The accounts are little to no cost and easy for employers to use, since employers will neither administer the accounts nor contribute to them. Participants could save up to \$15,000, or for a maximum of 30 years, in their accounts before transferring their balance to a private sector Roth IRA.
- **Follows Normal Roth IRA Rules:** With the myRA following normal Roth IRA rules, not only can contributions be withdrawn anytime (tax-free and penalty-free), but ostensibly a withdrawal of *earnings* will still be subject to the normal Roth IRA rules to be eligible for tax-free withdrawals of growth, including the Roth earnings 5-year rule and the requirement to be either age 59 1/2, deceased, disabled, or (for a limited amount) for a first-time homebuyer. Also, combined annual contribution limits for all IRA’s (IRA, Roth, & myRA) are the lower of earned income or \$5,500 (\$6,500 if age 50 or older).