

# myRA: An Overview

*“Let’s do more to help Americans save for retirement. Today, most workers don’t have a pension. A Social Security check often isn’t enough on its own. And while the stock market has doubled over the last five years, that doesn’t help folks who don’t have 401(k)s. That’s why ... I will direct the Treasury to create a new way for working Americans to start their own retirement savings: myRA.”*

President Obama’s State of the Union Address  
January 2014

## Structure of the myRA

The myRA program is a new, federally-administered retirement savings plan for Americans who do not have access to an employer-sponsored plan or are looking to supplement an employer-sponsored plan. The plan bridges a gap in retirement savings access and assists Americans in saving for retirement. The plan is designed to be simple, safe and affordable.

## Operation of the myRA

A myRA is available to individuals with an annual income < \$129,000 (for couples: < \$191,000).

Once an investor’s myRA reaches \$15,000 or 30 years, the balance will be rolled over to a private-sector retirement account.

## Implementation of the myRA

The myRA program launched in late 2014. Both employers and individuals can now sign up directly through the myRA portal ([www.myra.treasury.gov](http://www.myra.treasury.gov)).

## Enrollment Information

To sign up or find further information, please visit [www.myra.treasury.gov](http://www.myra.treasury.gov).



## SIMPLE. SAFE. AFFORDABLE.

### Simple:

- The plan is accessible. Employees may elect to have a portion of their paycheck deposited directly into their myRA account, regardless of their employer’s participation. Contributions can be as low as \$5.
- The plan is portable. Investors can keep their same myRA when changing jobs or moving to another state and can roll the balance over to a private retirement account at any time.
- The plan offers the benefits of a Roth IRA, without the penalties. Investors are able to withdraw their contributions from a myRA account at any time, tax free; earnings can generally be withdrawn after the age of 59½—tax free.

### Safe:

- Plan contributions are low-risk and backed by the federal government. Contributions to a myRA are invested in a Treasury security, meaning the balance will never decrease in value and will earn the same interest rate as federal employees enrolled in the Thrift Savings Plan Government Securities Investment Fund.

### Affordable:

- The plan has a low minimum, a low contribution requirement, and there is no cost to open an account. Employees can enroll in the program with a minimum contribution of \$25, and contribute as low as \$5 each pay period—all with no fees.

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## Providing Access

One of the key drivers behind the creation of myRA has been the need to bridge the retirement savings access gap for lower-income individuals without access to employer sponsored plans. The myRA program looks to do just that and will assist individuals in jump-starting their retirement savings.

- “I think it’s going to cause a lot of people to actually get started’ saving ... ‘When people are first starting to save the last thing [they] want to have happen is a bad experience. You invest and lose a quarter or half of your money, or even if they lose a little bit they think, ‘Forget that.’”<sup>1</sup>  
*Sheryl Garrett, head of the Garrett Network of financial planners, which serves about 25,000 clients nationwide.*
- “[The myRA program] may open up savings opportunities for those with incomes at the low end of the ‘middle class.’”<sup>2</sup>  
*Karen Friedman, Executive Vice President and Policy Director of the Pension Rights Center.*
- “This plan is designed for the rank-and-file worker that doesn’t know that much about the financial system and wants to get a foot in the door.”<sup>3</sup>  
*Harold Evensky, President and CEO of Evensky & Katz Wealth Management Firm*
- “It enables lower-income workers to start accumulating money.”<sup>4</sup>  
*William Gale, Director of the Retirement Security Project, Brookings Institution.*

## A Strong Step Forward

The myRA program has received support from a breadth of experts, including consumer advocates and retirement savings professionals. Many believe that this program offers a strong step forward, and will provide a meaningful addition to the retirement savings landscape.

- “MyRA starter savings account is a useful step towards retirement security & a good supplement to #Social Security.” — AARP Advocates<sup>5</sup>
- “The account is simple, requires little of the employer and will be easy to administer ... It doesn’t compete with other retirement plans and is a way to get non-savers to start squirreling money away.”<sup>6</sup> — Jeffrey Brown, Finance Professor at the University of Illinois.
- “But the good news is you can’t lose any money, so it’s kinda like a no-brainer.” — Suze Orman, The Suze Orman Show 3/15/2014
- “... so I am hopeful that [the myRA program] will help people jump-start their retirement savings.”<sup>7</sup> — Michelle Singletary, Columnist for the Washington Post.
- “... myRAs could pave the way for workers to open conventional Roth IRAs, ‘and eventually enable holders to meaningfully participate in the financial markets.’”<sup>8</sup> — A spokesman for Vanguard Group Inc, a large retirement assets manager.

1. <http://www.benefitnews.com/news/obamas-new-myra-plan-draws-advisers-praise-scorn-2738973-1.html?pg=1>

2. <http://www.thinkadvisor.com/2014/01/29/after-myra-unveiling-obama-still-gets-mixed-review>

3. <http://www.reuters.com/article/2014/01/30/usa-obama-retirement-savings-idUSL2N0L31XJ20140130>

4. <http://www.reuters.com/article/2014/01/30/usa-obama-retirement-savings-idUSL2N0L31XJ20140130>

5. <https://twitter.com/AARPadvocates/status/428360034440196097>

6. <http://blog.aarp.org/2014/01/30/myra-thumbs-up-or-thumbs-down/>

7. [http://www.washingtonpost.com/business/obamas-myra-plan-is-a-start-but-it-wont-save-retirement/2014/02/06/decbcf02-8d3e-11e3-95dd-36ff657a4dae\\_story.html](http://www.washingtonpost.com/business/obamas-myra-plan-is-a-start-but-it-wont-save-retirement/2014/02/06/decbcf02-8d3e-11e3-95dd-36ff657a4dae_story.html)

8. <http://www.reuters.com/article/2014/01/30/usa-obama-retirement-savings-idUSL2N0L31XJ20140130>