

REAL ECONOMIC IMPACT NETWORK

EXPLORING myRA (MY RETIREMENT ACCOUNT) AS A SAVINGS OPTION

**December 14, 2016
Washington, DC**

Moderator



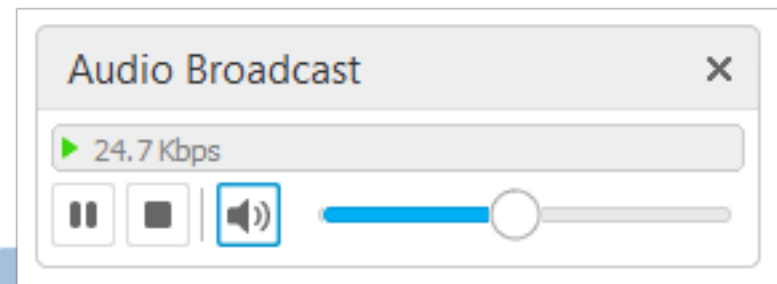
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Impact Network**
National Disability Institute

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National Disability Institute

The mission of National Disability Institute is to drive social impact to build a better economic future for people with disabilities and their families.



NDI's Real Economic Impact Network

- An alliance of organizations & individuals dedicated to advancing the economic empowerment of people with disabilities.
- Consists of more than 4,500 members located throughout the United States.
- Includes non-profits, community tax coalitions, asset development organizations, financial education initiatives, corporations & private-sector businesses, federal/state/local governments & agencies, and individuals & families with disabilities.
- All partners join forces to embrace, promote & pursue access to & inclusion of people with disabilities in the economic mainstream.

Learn more about the REI Network at
www.realeconomicimpact.org/REI-Network.aspx

Presenter



Angie Lingle

**Relationship Manager, myRA
Employer Engagement and
Outreach**

**Treasury Relations and Support
Office**

Federal Reserve Bank of St. Louis



myRA (*my* Retirement Account)

An Easy Way to Start Saving for Retirement

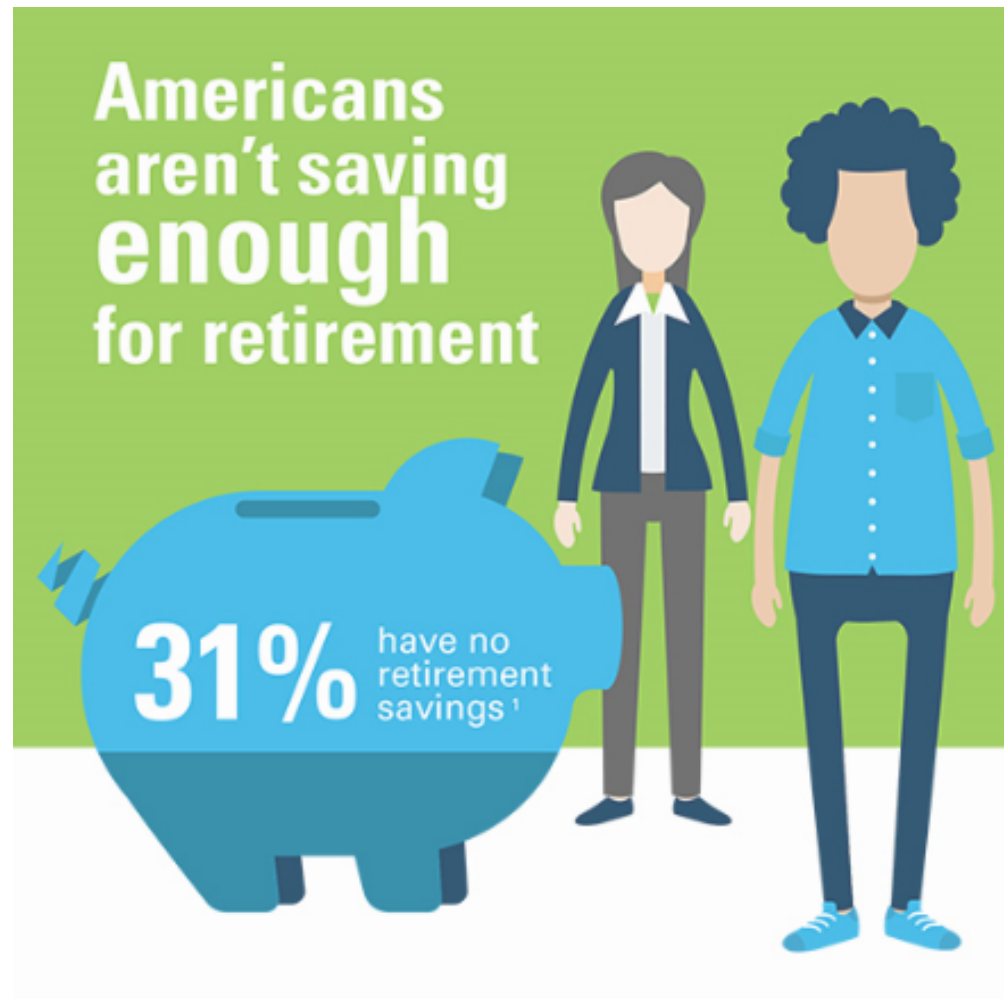




Agenda

- ✓ Retirement savings challenges
- ✓ myRA as a solution
- ✓ Who is *myRA* for?
- ✓ What is *myRA*?
- ✓ Getting involved with *myRA*

Millions are not saving enough for retirement

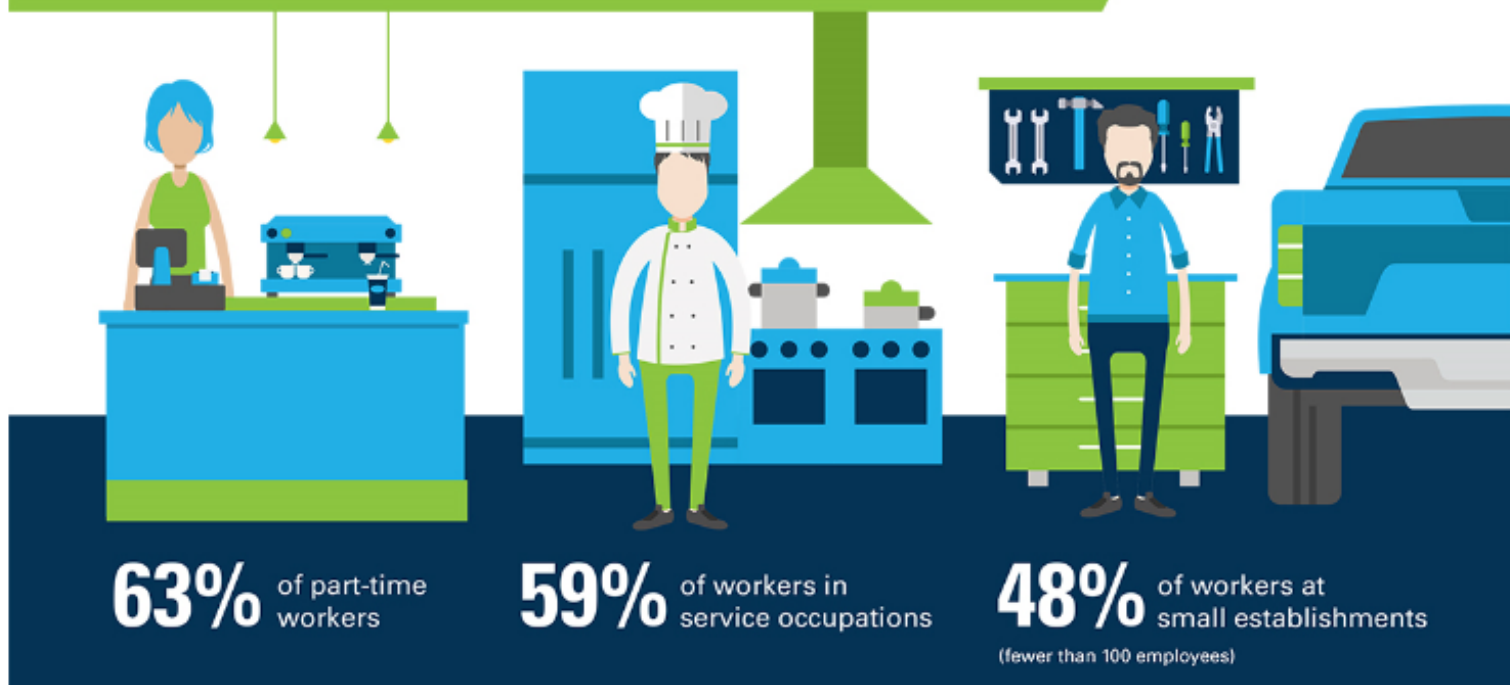


Many lack access to a retirement plan at work

Many workers lack access to employer-sponsored retirement savings plans

In fact, **one out of every three private industry workers** lacks access to retirement benefits at work.³ Employees at some types of businesses are more likely not to have access to a retirement savings plan.

PERCENT OF WORKERS IN PRIVATE INDUSTRY WITH NO ACCESS TO A PLAN³



Barriers to saving can be difficult to overcome

- ✓ Cost and fees of opening and maintaining a retirement account
- ✓ Difficulty making choices among savings options
- ✓ Concerns about losing money
- ✓ Need to access funds for unexpected expenses or emergencies

myRA from the U.S. Treasury offers a solution

myRA (*my* Retirement Account) was developed by the U.S. Department of the Treasury to make saving for the future easy.

It can help people take a step toward a more secure retirement in a way that's **simple, safe, and affordable.**

Who can benefit from *myRA*?



People who don't have access to a retirement savings plan at work



People who want to save but haven't found an easy way to get started



People who earn an annual income below \$132,000 if single, or below \$194,000 if married filing jointly¹

*Annual and lifetime contribution limits and annual earned income limits apply, as do conditions for tax-free withdrawal of earnings. Limits listed are for 2016 and may be adjusted annually for cost-of-living increases. To learn about key features of a Roth IRA and for other requirements and details, go to myRA.gov/tax.

myRA is a Roth IRA

Key Roth IRA features include the following:

- ✓ Contributions are invested in a **new U.S. Treasury savings bond** that earns interest at the same rate as investments in the Government Securities Fund.
- ✓ Because contributions are made after-tax, savers can take out what they've put in **without tax or penalty**. "Qualified" earnings are also not taxable.
- ✓ Savers may contribute a **maximum total of \$5,500 (\$6,500 if age 50 or older)** annually in all of their Roth and traditional IRA accounts.
- ✓ Savers may choose to transfer or roll over their money to a **private sector Roth IRA** at any time. Account balances should be transferred to a private sector Roth IRA when they reach \$15,000, or after 30 years.
- ✓ **Income limits apply.** Savers can contribute to a Roth IRA if in 2016 they earned below \$132,000 (\$133,000 for 2017) if single, and \$194,000 (\$196,000 for 2017) if married filing jointly.
- ✓ **Learn more** at <https://myra.gov/roth-ira>.

Saving with *myRA* is simple, safe, and affordable



simple

- ✓ Set up automatic contributions
- ✓ If changing jobs, the account stays with the saver
- ✓ Withdraw money put in (contributions) without tax and penalty¹



safe

- ✓ No risk of losing money
- ✓ The investment is backed by the U.S. Treasury
- ✓ The account safely earns interest¹



affordable

- ✓ No cost to open and no fees
- ✓ No minimum account balance and contributions
- ✓ Savers choose how much to save (\$2, \$20, \$200 – whatever fits their budget!)²
- ✓ Savers can enjoy the tax advantages this type of investment brings²

¹ Interest earned can be withdrawn without tax and penalty five years after your first contribution if you are over age 59 1/2 or meet certain other conditions, such as using the funds for the purchase of your first home. Accounts earn interest at the same rate as investments in the Government Securities Fund, which returned 2.31% in 2014 and had an average annual return of 3.19% over the ten-year period ending December 2014.

² Annual and lifetime contribution limits and annual earned income limits apply, as do conditions for tax-free withdrawal of earnings. Limits listed are for 2015 and may be adjusted annually for cost-of-living increases. To learn about key features of a Roth IRA and for other requirements and details, go to myRA.gov/roth-ira.

myRA offers three ways to save

Three ways to contribute to your *myRA* account



From your
paycheck



From your checking
or savings account



From your federal
tax refund

Visit myRA.gov for more information

U.S. DEPARTMENT of the TREASURY

myRA

Home | How It Works | Get Answers | Sign Up

Saving for your future starts now

Start saving with myRA, a new retirement savings account from the United States Department of the Treasury.

- No cost or fees
- No complicated investment options
- No risk of losing money

Sign up today

Learn how it works

If I put away \ominus \$40 \oplus a month,
in \ominus 5 \oplus years, I can save over \$2,553.

Learn more about how you can save and earn interest with myRA®.

See savings calculators

Estimate only. See calculation details.

U.S. DEPARTMENT of the TREASURY

myRA

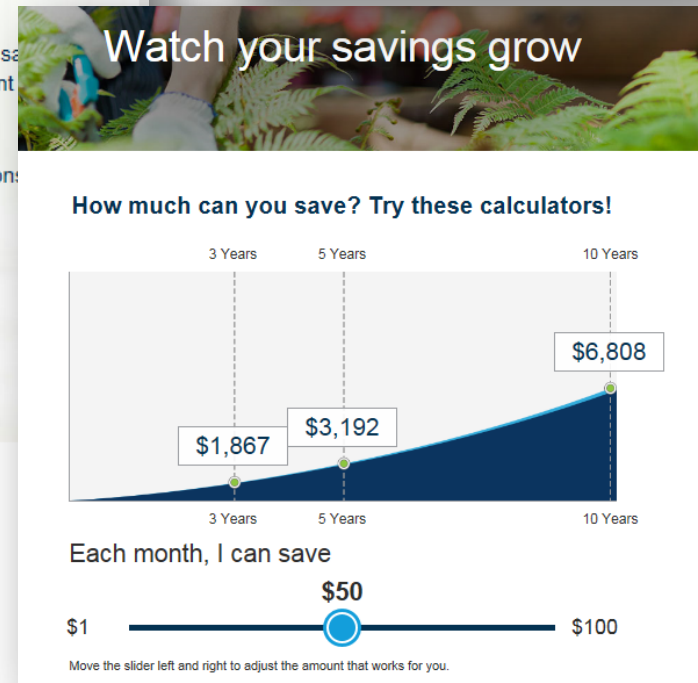
Home | How It Works | Get Answers | Sign Up

Summary of key Roth IRA features

A Roth IRA is an individual retirement arrangement (IRA) described in section 408A of the Internal Revenue Code. A myRA® is a Roth IRA, so it is subject to the same rules that apply generally to Roth IRAs. Some of the key Roth IRA features are summarized below.

Basic tax attributes

Amounts can be withdrawn from a Roth IRA at any time, but special tax rules apply. Contributions (the amount you put in) to a Roth IRA are made after-tax and can be made at any time during the calendar year (or by the due date of the owner's tax return for the year, not including extensions). Because contributions are after-tax, they will not be taxed again when they are distributed (taken out), and these non-taxable contributions will be treated as coming out of the Roth IRA before earnings which may be taxable depending on whether the distribution is qualified.



Tax time is a great time to save

At tax time, people are thinking about their finances; and IRS data shows that about three out of four tax filers receive federal tax refunds.

- Tax time is a major financial event:

- ✓ 134,438,000 individual returns processed
- ✓ 102,424,000 of filers receive refund
- ✓ \$2,732 average refund

You're in a unique position to help filers think about using their tax refunds to invest in their future.

IRS Data: 2016 Filing Season Statistics
(<https://www.irs.gov/uac/newsroom/filing-season-statistics-for-week-ending-may-13-2016>)

How can you help tax filers?

Help tax filers...

... get on the path to a more secure retirement by encouraging them to **contribute all or part of their tax refunds to their *myRA* accounts**

... take advantage of the **Savers' Tax Credit** with their *myRA* contributions (if eligible)



Help tax filers save for the future

Millions of Americans aren't saving enough, or at all, for retirement. As a tax professional, you can help them by providing information about myRA, a starter retirement savings option.



Attention, tax filers!

We've created materials for you to promote myRA.

Encourage tax-time saving with myRA

Promote



Mail Insert

An attractive way to promote savings in your business communications, customer correspondence, or as a bill stuffer.

Available in December



Poster

For your office, the conference room, the lobby, and more. Let people know they can ask about myRA.

Available in December



myRA At-a-Glance

All the basics about myRA in one place. A must-have.

8.5 x 11: [English](#) | [Español](#)

8.5 x 5.5: [English](#)



Table Tent (3-sided)

On desks, in the lobby, at events. No shortage of great places for this handy intro to myRA.

Available in December



Postcard

Encouraging myRA enrollment before the tax appointment saves you time. This postcard encourages signup.

Available in December

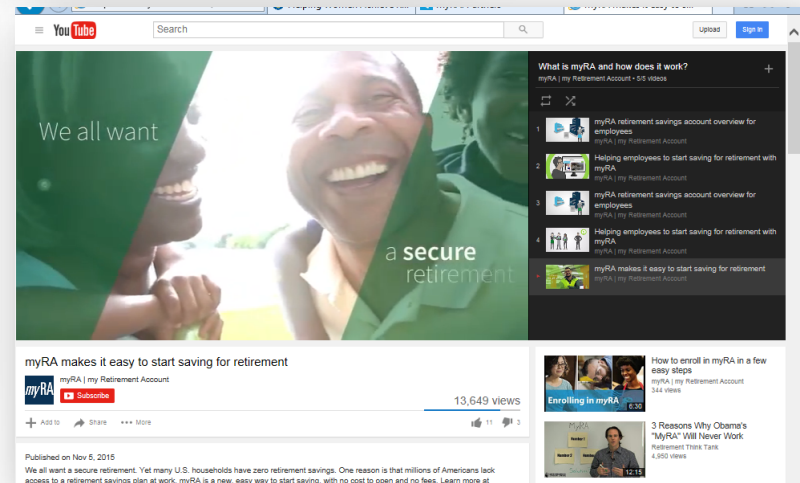
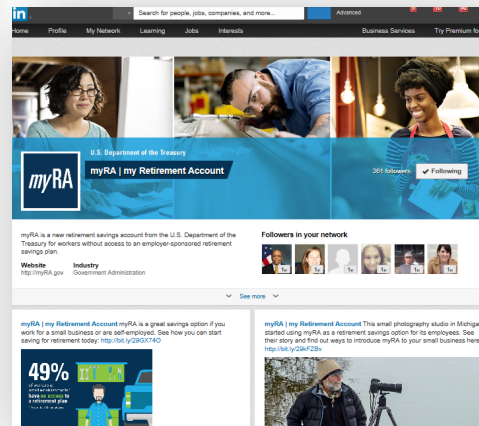


Web Banner

When tax filers visit your website, let them know you support saving. Introduce them to myRA.

Available in December

Let's get social | Connect with *myRA*



Thank You!

To learn more about *myRA*

Visit **myRA.gov**

To partner with us

call **844-874-7590**

email myRAemployers@stls.frb.org

Presenter



Kevin Nickerson

**Co-Director, American Dream
Employment Network
National Disability Institute**

How Resources Impact SSA Disability Benefits

Social Security Disability Insurance (SSDI)

- There is no resource test for SSDI benefits, you can have as much in savings as you wish and remain eligible as this benefit is based on your “Insured Status” as a former worker

Supplemental Security Income (SSI)

- Resources: **Cash or other liquid assets, or real or personal property that an individual owns and could convert to cash, which can be used to provide for food, shelter or clothing**
 - » The general rule is that an item received in a month is income and, unless spent, becomes a resource in the following month (there are exceptions to this rule, for example, tax refunds)
 - » General resource limit in 2016 is \$2,000 for an individual, \$3,000 for an eligible couple (Note: This rate was established on 1/1/89)

SSI Resources – Example Exclusions

- Your home that you live in, regardless of value
- One vehicle, regardless of value, if used for transportation needs of SSI recipient or a family member
- **Property Essential for Self-Support** – This rule helps individuals who own property used for a trade or business, which can be excluded
 - Non-business property has different rules which apply
- Resources protected under a **Plan to Achieve Self-Support**
- Burial funds up to \$1500 for an individual and \$3000 for a couple
- Earned Income Tax Credits (EITC) not counted for 12 months from when you receive it
 - Learn more from the IRS, by visiting this link: <http://www.irs.gov/Individuals/Disability-and-Earned-Income-Tax-Credit>

Other Means-Tested Programs

- Medicaid – Will vary by state, but in most states, if eligible for SSI one would be eligible for Medicaid
- Supplemental Nutrition Assistance Program (SNAP) - Households may have \$2,250 in countable resources, such as a bank account, or \$3,250 in countable resources if at least one person is age 60 or older, or is disabled.
 - Note: Certain resources don't count, such as your home, and most retirement accounts. Resource tests can vary by state. For more information:
<http://www.fns.usda.gov/snap/eligibility#Resources>
- CFED has developed a score card that provides asset limit information for public benefits programs, found here:
<http://scorecard.assetsandopportunity.org/latest/measure/asset-limits-in-public-benefit-programs>

New Option to Protect Resources

- **NEW!** – Achieving a Better Life Experience (ABLE) Act
– Signed into law, December 2014. Will allow individuals who experience a disability per SSA standards, prior to age 26, to have savings up to \$100,000 that will not count as a resource
- ABLE National Resource Center:
<http://www.ablenrc.org/>

QUESTIONS?

DISABLE POVERTY is a grassroots campaign which aims to increase awareness about the nearly one in three Americans with disabilities that live in poverty and remain outside the economic mainstream.

THE TWO OVERARCHING GOALS OF THE CAMPAIGN,
TO BE ACHIEVED IN THE NEXT 10 YEARS, ARE TO:



50 ▼

DECREASE the number of working-age adults with disabilities living in poverty **by 50%**



50 ▲

INCREASE the use of mainstream banking products and services among Americans with disabilities **by 50%**

**TAKE THE PLEDGE AT
DISABLEPOVERTY.ORG**

DISABLE▲POVERTY▼

National Disability Institute | realeconomicimpact.org

Join the Movement!

NDI's Real Economic Impact Network

Sign-up at bit.ly/NDI-sign-me-up

If you have questions on strategies to build the financial wellness of persons with disabilities, you can send your question to ask@ndi-inc.org.

Join us for our next webinar:

Wednesday, January 11, 2017 at 3 pm ET

Tax Time Updates

More information about this webinar will be sent out to the REI Network list via email in the coming weeks.

Check out future webinars and archived webinars (such as today's recording),

www.realeconomicimpact.org

**Wrap-Up
&
Thank You**

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