

# Tax Preparation and *myRA*<sup>®</sup>

*Helping tax filers start saving for retirement*

# 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 refund to a *myRA* account**

... take advantage of the **Saver's Tax Credit** with their retirement savings contributions (if eligible)

# What is *myRA*?

- A new retirement savings account developed by the U.S. Department of the Treasury to help people start saving
- Designed for people who don't have access to a retirement savings plan at work or lack other options to save
- It is a Roth IRA that invests in a new U.S. Treasury retirement savings bond
- Savers can open an account, build up savings to \$15,000, then transfer or roll over their savings to a private-sector Roth IRA to take advantage of other opportunities to invest and grow their savings\*

\*Savings in a *myRA* account will earn interest until the account balance reaches \$15,000 or 30 years from the day of the first contribution to the account (whichever comes first). The account balance will then be transferred to a private-sector Roth IRA, where savers can continue to invest and make additional contributions. Savers can transfer or roll over their *myRA* to a private-sector Roth IRA of their choice at any time.

# Why save with *myRA*?

## *myRA* is simple, safe, and affordable

- ✓ No cost to open and no fees
- ✓ No risk of losing money
- ✓ Savers choose the amount to contribute to their *myRA*<sup>1</sup>
- ✓ The account safely earns interest<sup>2</sup>
- ✓ The investment is backed by the U.S. Treasury
- ✓ Savers can withdraw the money they put in without tax and penalty<sup>2</sup>

<sup>1</sup>Annual and lifetime contribution limits and annual earned income limits apply, as do conditions for tax-free withdrawal of earnings. Limits 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](https://myRA.gov/roth-ira).

<sup>2</sup>Withdraw interest earned 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 earned 2.04 percent in 2015 and an average annual return of 2.94 percent over the ten-year period ending December 2015.

# Your role as a tax preparer and tax advisor

## Encourage tax filers to start saving

- Educate your clients on *myRA* and the opportunity to save on their taxes (if eligible) while also saving for their future
- Encourage tax filers to open a *myRA* account and to contribute to the account with their tax refund
- Help them save on their taxes with the Saver's Tax Credit based on their eligibility and their retirement savings contributions for the relevant tax year\*

For more information on *myRA* or to open an account, go to **[myRA.gov](https://myra.gov)** or call **855-406-6972**

\*Tax filers who elect to have a contribution that is deposited in a particular calendar year treated as a contribution for the prior tax year must contact *myRA* customer support to make this request (contributions must also be deposited by the relevant IRA contribution deadline).