

# TAX PREPARATION AND *myRA*<sup>®</sup>

## AN OVERVIEW

### TURN TAX REFUNDS INTO SAVINGS WITH *myRA*

Tax season is a great opportunity to help people build assets and start saving for retirement. In the coming tax season, encourage tax filers to use their federal tax refund to save for their future with *myRA*, a retirement savings account developed by the U.S. Department of the Treasury.

### HOW CAN YOU HELP TAX FILERS?

You can help tax filers get on the path to a more secure retirement and, if eligible, take advantage of the Saver's Tax Credit with *myRA*.

Here's how:

- Tell them about saving with *myRA* and the opportunity to put away all or part of their tax refund in a safe interest-bearing account
- Encourage tax filers to open a *myRA* account and make a contribution to that account with their tax refund
- Make sure they claim the Saver's Tax Credit for the amount deposited (based on eligibility and amount rules) for the relevant tax year<sup>1</sup>

A *myRA* account can be opened in a matter of minutes at **myRA.gov** or by calling **855-406-6972**.

It's easy to share information about *myRA*. Free resources are available for download on **myRA.gov**.

### WHAT IS *myRA*?

*myRA* is a Roth IRA that makes saving for retirement easy.<sup>2</sup> It was developed for people who don't have access to a retirement savings plan at work or lack other options to save. This may include small business employees, part-time and temporary workers, and the self-employed. *myRA* is a simple, safe, and affordable way to start saving for retirement:

- No cost to open and no fees
- *myRA* carries no risk of losing money
- Savers choose the amount to contribute to their *myRA* account<sup>2</sup>
- The account safely earns interest<sup>3</sup>
- The investment is backed by the U.S. Treasury
- Savers can withdraw the money they put in without tax and penalty<sup>3</sup>

Savers can transfer or roll over their money to a private-sector Roth IRA at any time. Once the account reaches \$15,000 (or after 30 years), the money is transferred to a private-sector Roth IRA where savers have other opportunities to invest and continue to grow their savings.

## SPREAD THE WORD ABOUT *myRA*

We look forward to your support of *myRA*. Here are easy ways you can help share the message about this important way to start saving.

### Talk to tax filers about *myRA*

- Educate tax filers on *myRA* and how saving for retirement could also help them save on their taxes.
- Display *myRA* table tents, flyers, and posters at your tax preparation locations.

### Encourage tax filers to open *myRA* accounts

- Send emails to your clients encouraging them to open a *myRA* account as a step in preparing to file their taxes. It only takes a few minutes to open an account online at **myRA.gov** or by phone at **855-406-6972**.
- Remind them to bring their *myRA* account number to their tax preparation appointment so they can easily save all or part of their refund in their *myRA*.

### Educate staff and volunteers about *myRA*

- Train staff and volunteers on *myRA* and on ways they can encourage clients to save by opening a *myRA* account. The *myRA* Guide for Tax Preparers provides details on how your staff can help tax filers save with *myRA*, and it can be downloaded on **myRA.gov**.
- Share information about *myRA* with key groups and partner organizations in your community; link to **myRA.gov** on websites and social media channels.

### Urge tax filers to keep saving with *myRA*

- Encourage *myRA* account holders to continue saving by setting up automatic contributions from their paycheck or their checking or savings account.
- Remind clients of the importance to save for retirement and how it could also help them save on their taxes.

## FREE DOWNLOADABLE RESOURCES

Posters, table tents, presentation slides, and other materials are available to make it easy for you to share information about *myRA*. Go to the Partners page of **myRA.gov** to download resources you can share with your staff, volunteers, and tax filers.

For more information, visit **myRA.gov**.

<sup>1</sup>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).

<sup>2</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**.

<sup>3</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.