



HOW TO HELP TAX FILERS SAVE WITH *myRA*[®]

A GUIDE FOR TAX PREPARERS

HELP YOUR CLIENTS START SAVING AND BUILDING ASSETS FOR RETIREMENT

Tax season is a great opportunity for people to boost their retirement savings. For many people, their tax refund is the single largest sum of money they get all year. As a tax preparer, you are in a unique position to help people start saving for the future. This tax season, 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 IS WHAT YOU NEED TO KNOW ABOUT *myRA*:

- It is a retirement savings account designed by the U.S. Department of the Treasury to help people start saving for the future, particularly those who don't have access to a retirement savings plan at work.
- It costs nothing to open and there are no fees, no minimum contribution, and no complicated investment options.
- *myRA* is a Roth IRA,¹ which allows eligible tax filers to claim the Saver's Tax Credit and can provide other tax advantages.
- *myRA* contributions can be withdrawn at any time without tax or penalty (savers can withdraw earnings without tax and penalty under certain conditions).²
- *myRA* contributions are invested in a new U.S. Treasury savings bond.
- The account safely earns interest at the same rate as investments in the Government Securities Fund available to federal employees.²
- *myRA* accounts will be transferred to a private-sector Roth IRA when they reach \$15,000 (or after 30 years), and savers can transfer or roll over their money to a private-sector Roth IRA at any time.

Learn more at myRA.gov

myRA.gov



HELP TAX FILERS SAVE WITH *myRA*

HOW CAN YOU HELP TAX FILERS SAVE WITH *myRA*?

1 TALK TO TAX FILERS ABOUT *myRA*

Tell them that...

... You can use all or part of your federal tax refund to save for retirement.

... If you don't have a retirement savings plan at work, such as a 401(k), and feel you have no other options to save for retirement, *myRA* could be a good choice.

... *myRA* is a Roth IRA, so money you contribute to it might qualify you for the Saver's Tax Credit, which may help you lower your tax bill.

... *myRA* is easy to set up; there's no cost and no fees; and you can use your federal tax refund to make a contribution.

... Once you have a *myRA* account, in addition to using your tax refund, you can also fund it directly from your paycheck or from a checking or savings account – you can set up automatic contributions.

Ask your clients if they have a *myRA* account.

- **For tax filers without a *myRA* account:** You can provide instructions or materials (such as the *myRA* flyer or At-A-Glance infographic) on how they can open an account and what information they will need. Explain to them that you will need their *myRA* account number, which they will receive after opening their account, in order to direct all or part of their federal tax refund to their *myRA*. Tell them they can easily open an account at **myRA.gov** or by calling **855-406-6972**. It just takes a few minutes.
- **For tax filers with a *myRA* account.** Request their *myRA* account number and find out how much of their tax refund they would like to contribute towards savings. Inform them of their potential eligibility for the Saver's Tax Credit.

2 ANSWER QUESTIONS ON *myRA*

Tax filers may ask questions about *myRA*. Offer answers and direct them to **myRA.gov** where they can find more information. Some common questions include:

- **Is it a good fit for me?** *myRA* could be a good fit for you if you don't have access to a retirement savings plan at work or haven't found an easy way to start saving. To be eligible for an account, you also need to have an annual earned income below \$131,000 if single, and below \$193,000 if married filing jointly.¹
- **How much does it cost?** It costs nothing to open an account, there are no fees, and no minimum contributions. You can save an amount that best fits your budget.¹
- **Is it complicated?** No. There are no complicated investment options. Your money is invested in a U.S. Treasury security that safely earns interest at the same rate as investments in the Government Securities Fund available to federal employees.²

HELP TAX FILERS SAVE WITH *myRA*

- **Is it safe?** Yes. The investment in a *myRA* is backed by the U.S. Department of the Treasury and carries no risk of losing money.
- **Can I access the money if I need it?** Yes. You can withdraw the money you put into the account without tax and penalty at any time.²

3 ENCOURAGE TAX FILERS TO OPEN AN ACCOUNT AND START SAVING WITH *myRA*

If your clients are interested in opening a *myRA* account, tell them they can easily open an account online or by phone. It takes just a few minutes.

Explain that they'll need:

- Social Security number³
- Driver's license, state ID, U.S. passport, or military ID
- Name and birth date of at least one beneficiary (the person they choose to inherit the account)

It's important that when choosing how to fund a *myRA* account, your clients select the direct deposit/tax refund option. They'll also want to make note of their *myRA* account and routing numbers, and provide those to you. You will need to include these on their tax returns.

The screenshot shows the 'Fund Your Account' step of the enrollment process. On the left, a progress sidebar lists: 'Get Started', 'Enter Your Information', 'Review Your Information', 'Review Disclosures', 'Fund Your Account' (highlighted), and 'Next Steps'. The main content area is titled 'Fund Your Account' and contains a 'Contribution decision' section. It states: 'You have several options to fund your myRA. All funding options will still be available to you after you finish enrolling. How do you want to begin funding your account?' There are two radio button options: 'From your checking or savings account, which you can begin to set up now.' (unselected) and 'From your paycheck (direct deposit) or federal income tax refund, which you can set up after you've enrolled.' (selected).

The screenshot shows the 'Next Steps' step of the enrollment process. On the left, the progress sidebar lists: 'Get Started', 'Enter Your Information', 'Review Your Information', 'Review Disclosures', 'Fund Your Account', and 'Next Steps' (highlighted). The main content area is titled 'Next Steps' and contains a 'Your myRA account information' section. It displays: 'myRA account number: XXXXXXX' and 'myRA routing number: 111925074'. A 'Print page' button is visible in the top right corner.

Tax filers can enroll at **myRA.gov** or by calling **855-406-6972**. Once the account is open, you will need to mark the "Savings" box in the refund section of the tax return, fill in the *myRA* account and routing numbers, and how much of the federal tax refund the client wants to put toward the account. **The *myRA* routing number is 111925074.**

HELP TAX FILERS SAVE WITH *myRA*

4 DETERMINE IF YOUR CLIENTS ARE ELIGIBLE FOR THE SAVER'S TAX CREDIT

myRA is a Roth IRA, which allows eligible tax filers to claim the Saver's Tax Credit while also saving for retirement. Individuals who contribute to a Roth IRA with modified adjusted gross income (AGI) below certain levels for the year are eligible to claim a Saver's Tax Credit for their contributions.⁴

The AGI eligibility levels for 2015 are:

- \$61,000 for married couples filing jointly,
- \$45,700 for heads of household, and
- \$30,500 for singles and married individuals filing separately

Individuals must also be age 18 or older, not a full-time student, and not be claimed as a dependent on another tax return to be eligible for the Saver's Tax Credit. The amount of the Saver's Tax Credit can be 50 percent, 20 percent, or 10 percent of retirement contributions up to \$2,000 (\$2,000 per spouse if married filing jointly) depending on AGI and filing status. For more information, go to myRA.gov/roth-ira.

5 ENCOURAGE YOUR CLIENTS TO KEEP SAVING WITH *myRA*

Talk to tax filers about the importance of continuing to save.

Advise them that...

*...Opening a *myRA* account and directing all or part of your tax refund to be deposited in the account is a great first step to start saving for the future.*

*...You can continue to save by setting up recurring or one-time payments to your *myRA*. You can do this through your employer if you are paid through direct deposit. Or, you can contribute directly from your personal checking or savings account.*

*...It is easy to track and manage your *myRA* account online.*

*...You can go to myRA.gov or call **855-406-6972** to learn more and to get questions answered.*

6 PROVIDE ADDITIONAL INFORMATION

For tax filers who show interest in *myRA* but are not ready to open an account, provide them with additional information, such as printed materials (if available), or simply direct them to check out myRA.gov.

FOR MORE INFORMATION

Visit myRA.gov to learn more and to download free materials you can use to share information about *myRA*.

¹Annual and lifetime contribution limits and annual earned income limits apply, as do conditions for tax-free withdrawal of interest. 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.

²Withdraw 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 had an average annual return of 3.19% over the ten-year period ending December 2014.

³People can also open an account using an ITIN (Individual Tax Identification Number), but only by contacting *myRA* customer support at **855-406-6972** or TTY/TDD **855-408-6972** or International **1-414-365-9616**.

⁴Tax 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).