To provide for MyRA accounts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 15, 2017

Mr. CROWLEY (for himself and Mr. ELLISON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for MyRA accounts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the “Making Your Retirement Accessible Act” or the “MyRA Act”.

SEC. 2. MYRA ACCOUNTS.

(a) IN GENERAL.—Section 408A of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(g) MYRA ACCOUNTS.—

“(1) SPECIAL RULE FOR CONTRIBUTIONS FROM TAX REFUNDS.—A taxpayer may elect to contribute
any portion of an overpayment of income tax for a taxable year to a MyRA account. The amount elected under the preceding sentence—

“(A) shall not exceed the amount allowed as a credit under section 25B for the taxable year, and

“(B) shall not be treated as qualified retirement contributions for purposes of section 219.

“(2) DIRECT DEPOSIT.—The Secretary shall provide for direct deposit of refunds from overpayments of income tax by a taxpayer to the MyRA account of a participant.

“(3) MYRA ACCOUNT DEFINED.—For purposes of this subsection, the term ‘MyRA account’ means a Roth IRA which meets the requirements of section 3106(d) of title 31, United States Code.”.

(b) MYRA PROGRAM.—Section 3106 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) The Secretary shall, in accordance with this subsection, establish and carry out a program of individual savings accounts to be known as ‘MyRA accounts’ under which the Secretary shall, upon receipt of contributions
in cash by or on behalf of a participant, issue retirement savings bonds to the MyRA account of the participant.

“(2) In carrying out the program under paragraph (1), the Secretary shall—

“(A) administer a MyRA account for each participant and credit bonds issued to the participant to the MyRA account of the participant,

“(B) serve as custodian of assets in the program,

“(C) issue retirement savings bonds described in paragraph (4), and

“(D) issue to each participant an annual statement relating to the participant’s MyRA account.

“(3) For purposes of this subsection, the term ‘MyRA account’ means a Roth IRA (as defined in section 408A of the Internal Revenue Code of 1986) established by the Secretary on behalf of a participant.

“(4) A retirement savings bond issued under this subsection shall—

“(A) earn interest at the same annual percentage rate as securities issued to the Government Securities Investment Fund in the Thrift Savings Plan for Federal employees, as determined under section 8438(e)(2) of title 5, United States Code,
“(B) shall be compounded daily at \( \frac{1}{360} \) of the annual percentage rate,

“(C) shall have a maturity date that is indeterminate and may differ for each bond issued, but that does not exceed the earlier of 30 years from the date the bond is first issued on behalf of the participant or when the total value of all such bonds held on behalf of the participant in the MyRA account reaches $15,000,

“(D) shall cease to bear interest on the date of maturity, and

“(E) shall be redeemed by the Secretary upon maturity.

“(5) Upon reaching maturity the Secretary shall transfer the entire amount in the MyRA account in a manner that meets the rollover requirements of section 408(d)(3) to a Roth IRA (other than a MyRA account) of the participant administered by a trustee who meets the satisfaction requirements of the Secretary under section 408(a)(2). For purposes of this paragraph, the Secretary shall make transfers to eligible trustees on a rotating basis unless the participant elects otherwise.

“(6) The Secretary shall accept contributions from employers on behalf of employees by direct deposit.
“(7) The Secretary shall accept contributions from participants by direct deposit.

“(8) Participant information under the program under this subsection shall be exempt from disclosure to the public.

“(9) The Secretary shall issue a quarterly report to Congress—

“(A) listing the number of accounts created in that quarter, the total number of accounts in existence, the overall value of assets in the accounts, and the number of taxpayers per zip code (of the taxpayer) who have created accounts; and

“(B) the names of employers who paid fines for failure of the employer to notify their employees of these accounts.

“(10) The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out this subsection.”.

(c) EMPLOYER REQUIREMENTS.—

(1) Chapter 43 of the Internal Revenue Code of 1986 is amended by adding at the end the following:
“SEC. 4980J. FAILURE OF EMPLOYER RELATING TO MYRA ACCOUNTS.

“(a) Imposition of Tax.—There is hereby imposed a tax on the failure of any employer to meet the requirements of subsection (e) with respect to any employee.

“(b) Amount of Tax.—

“(1) In General.—The amount of tax imposed by subsection (a) on any failure with respect to any employee shall be $100 for each day in the non-compliance period with respect to such failure.

“(2) Noncompliance Period.—For purposes of this section, the term ‘noncompliance period’ means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the notice to which the failure relates is provided or the failure is otherwise corrected.

“(c) Limitations on Amount of Tax.—

“(1) Tax Not to Apply Where Failure Not Discovered and Reasonable Diligence Exercised.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any employer subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).
“(2) Tax not to apply to failures corrected within 30 days.—No tax shall be imposed by subsection (a) on any failure if—

“(A) any employer subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

“(B) such employer provides the notice described in subsection (e) during the 30-day period beginning on the first date such employer knew, or exercising reasonable diligence would have known, that such failure existed.

“(3) Overall limitation for unintentional failures.—

“(A) In general.—If the employer subject to liability for tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer shall not exceed $500,000.

“(B) Taxable years in the case of certain controlled groups.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable
years taken into account shall be determined under principles similar to the principles of section 1561.

“(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

“(d) LIABILITY FOR TAX.—The employer shall be liable for the tax imposed by subsection (a).

“(e) EMPLOYER REQUIREMENTS RELATING TO MYRA ACCOUNTS.—

“(1) IN GENERAL.—An employer who pays wages to any employee through direct deposit shall make contributions through direct deposit to the MyRA account of the amount of wages designated by an employee who elects to participate in the MyRA program under section 3106(d) of title 31, United States Code.

“(2) EXCEPTION.—Paragraph (1) shall not apply to any employer with respect to an employee if the employer offers an employer-sponsored qualified retirement plan to the employee.
“(3) NOTICE REQUIREMENT.—Each employer shall, in each paystub, provide a uniform notice to employees on how the employees can create a MyRA account.”.

(2) The table of sections for chapter 43 of such Code is amended by adding at the end the following new item:

“Sec. 4980J. Failure of employer relating to MyRA accounts.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.