

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide matching payments for retirement savings contributions by certain individuals.

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IN THE SENATE OF THE UNITED STATES

Mr. WYDEN (for himself, Mr. BENNET, Mr. CASEY, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to provide matching payments for retirement savings contributions by certain individuals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Encouraging Ameri-  
5 cans to Save Act”.

1 **SEC. 2. MATCHING PAYMENTS FOR ELECTIVE DEFERRAL**  
2 **AND IRA CONTRIBUTIONS BY CERTAIN INDI-**  
3 **VIDUALS.**

4 (a) IN GENERAL.—Subchapter B of chapter 65 of the  
5 Internal Revenue Code of 1986 is amended by adding at  
6 the end the following new section:

7 **“SEC. 6433. MATCHING PAYMENTS FOR ELECTIVE DEFER-**  
8 **RAL AND IRA CONTRIBUTIONS BY CERTAIN**  
9 **INDIVIDUALS.**

10 “(a) IN GENERAL.—

11 “(1) ALLOWANCE OF CREDIT.—Any eligible in-  
12 dividual who makes qualified retirement savings con-  
13 tributions for the taxable year shall be allowed a  
14 credit for such taxable year in an amount equal to  
15 the applicable percentage of so much of the qualified  
16 retirement savings contributions made by such eligi-  
17 ble individual for the taxable year as does not exceed  
18 \$1,000.

19 “(2) PAYMENT OF CREDIT.—The credit under  
20 this section shall be paid by the Secretary as a con-  
21 tribution (as soon as practicable after the eligible in-  
22 dividual has filed a tax return for the taxable year)  
23 to the applicable retirement savings vehicle of an eli-  
24 gible individual.

25 “(b) APPLICABLE PERCENTAGE.—For purposes of  
26 this section—

1           “(1) IN GENERAL.—Except as provided in para-  
2 graph (2), the applicable percentage is 50 percent.

3           “(2) PHASEOUT.—The percentage under para-  
4 graph (1) shall be reduced (but not below zero) by  
5 the number of percentage points which bears the  
6 same ratio to 50 percentage points as—

7                   “(A) the excess of—

8                           “(i) the taxpayer’s modified adjusted  
9 gross income for such taxable year, over

10                           “(ii) the applicable dollar amount,  
11 bears to

12                   “(B) the phaseout range.

13 If any reduction determined under this paragraph is  
14 not a whole percentage point, such reduction shall be  
15 rounded to the next lowest whole percentage point.

16           “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT  
17 RANGE.—

18                   “(A) JOINT RETURNS.—Except as pro-  
19 vided in subparagraph (B)—

20                           “(i) the applicable dollar amount is  
21 \$65,000, and

22                           “(ii) the phaseout range is \$20,000.

23                   “(B) OTHER RETURNS.—In the case of—

24                           “(i) a head of a household (as defined  
25 in section 2(b)), the applicable dollar

1 amount and the phaseout range shall be  $\frac{3}{4}$   
2 of the amounts applicable under subpara-  
3 graph (A) (as adjusted under subsection  
4 (g)), and

5 “(ii) any taxpayer who is not filing a  
6 joint return and who is not a head of a  
7 household (as so defined), the applicable  
8 dollar amount and the phaseout range  
9 shall be  $\frac{1}{2}$  of the amounts applicable  
10 under subparagraph (A) (as so adjusted).

11 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this  
12 section—

13 “(1) IN GENERAL.—The term ‘eligible indi-  
14 vidual’ means any individual if such individual has  
15 attained the age of 18 as of the close of the taxable  
16 year.

17 “(2) DEPENDENTS AND FULL-TIME STUDENTS  
18 NOT ELIGIBLE.—The term ‘eligible individual’ shall  
19 not include—

20 “(A) any individual with respect to whom  
21 a deduction under section 151 is allowed to an-  
22 other taxpayer for a taxable year beginning in  
23 the calendar year in which such individual’s  
24 taxable year begins, and

1                   “(B) any individual who is a student (as  
2                   defined in section 152(f)(2)).

3                   “(d) QUALIFIED RETIREMENT SAVINGS CONTRIBU-  
4                   TIONS.—For purposes of this section—

5                   “(1) IN GENERAL.—The term ‘qualified retire-  
6                   ment savings contributions’ means, with respect to  
7                   any taxable year, the sum of—

8                   “(A) the amount of the qualified retire-  
9                   ment contributions (as defined in section  
10                  219(e)) made by the eligible individual,

11                  “(B) the amount of—

12                   “(i) any elective deferrals (as defined  
13                   in section 402(g)(3)) of such individual,  
14                   and

15                   “(ii) any elective deferral of com-  
16                   pensation by such individual under an eli-  
17                   gible deferred compensation plan (as de-  
18                   fined in section 457(b)) of an eligible em-  
19                   ployer described in section 457(e)(1)(A),  
20                   and

21                   “(C) the amount of voluntary employee  
22                   contributions by such individual to any qualified  
23                   retirement plan (as defined in section 4974(c)).

24                   Such term shall not include any amount attributable  
25                   to a payment under subsection (a).

1           “(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—

2  
3           “(A) IN GENERAL.—The qualified retire-  
4           ment savings contributions determined under  
5           paragraph (1) for a taxable year shall be re-  
6           duced (but not below zero) by the aggregate  
7           distributions received by the individual during  
8           the testing period from any entity of a type to  
9           which contributions under paragraph (1) may  
10          be made.

11          “(B) TESTING PERIOD.—For purposes of  
12          subparagraph (A), the testing period, with re-  
13          spect to a taxable year, is the period which in-  
14          cludes—

15                 “(i) such taxable year,

16                 “(ii) the 2 preceding taxable years,

17                 and

18                 “(iii) the period after such taxable  
19                 year and before the due date (including ex-  
20                 tensions) for filing the return of tax for  
21                 such taxable year.

22          “(C) EXCEPTED DISTRIBUTIONS.—There  
23          shall not be taken into account under subpara-  
24          graph (A)—

1                   “(i) any distribution referred to in  
2                   section 72(p), 401(k)(8), 401(m)(6),  
3                   402(g)(2), 404(k), or 408(d)(4),

4                   “(ii) any distribution to which section  
5                   408(d)(3) or 408A(d)(3) applies, and

6                   “(iii) any portion of a distribution if  
7                   such portion is transferred or paid in a  
8                   rollover contribution (as defined in section  
9                   402(e), 403(a)(4), 403(b)(8), 408A(e), or  
10                  457(e)(16)) to an account or plan to which  
11                  qualified retirement contributions can be  
12                  made.

13                  “(D) TREATMENT OF DISTRIBUTIONS RE-  
14                  CEIVED BY SPOUSE OF INDIVIDUAL.—For pur-  
15                  poses of determining distributions received by  
16                  an individual under subparagraph (A) for any  
17                  taxable year, any distribution received by the  
18                  spouse of such individual shall be treated as re-  
19                  ceived by such individual if such individual and  
20                  spouse file a joint return for such taxable year  
21                  and for the taxable year during which the  
22                  spouse receives the distribution.

23                  “(e) APPLICABLE RETIREMENT SAVINGS VEHI-  
24                  CLE.—

1           “(1) IN GENERAL.—The term ‘applicable retire-  
2           ment savings vehicle’ means—

3                   “(A) an account or plan elected by the eli-  
4                   gible individual under paragraph (2), or

5                   “(B) if no such election is made or the  
6                   Secretary is not able to make a contribution  
7                   into the account or plan selected by the eligible  
8                   individual, a myRA established for the benefit  
9                   of the eligible individual.

10           For purposes of subparagraph (B), if no myRA has  
11           previously been established for the benefit of the in-  
12           dividual, the Secretary shall establish such an ac-  
13           count for such individual for purposes of contribu-  
14           tions under this section.

15           “(2) OTHER RETIREMENT VEHICLES.—An eligi-  
16           ble individual may elect to have the amount deter-  
17           mined under subsection (a) contributed to an ac-  
18           count or plan which—

19                   “(A) is a Roth IRA or a designated Roth  
20                   account (within the meaning of section 402A)  
21                   of an applicable retirement plan (as defined in  
22                   section 402A(e)(1)),

23                   “(B) is for the benefit of the eligible indi-  
24                   vidual,



1           “(C) accepts contributions made under this  
2 section, and

3           “(D) is designated by such individual (in  
4 such form and manner as the Secretary may  
5 provide) on the return of tax for the taxable  
6 year.

7           “(3) MYRA.—For purposes of paragraph (1),  
8 the term ‘MyRA’ means a Roth IRA which is estab-  
9 lished—

10           “(A) under the myRA program established  
11 under section 3 of the Encouraging Americans  
12 to Save Act, and

13           “(B) by the individual for whose benefit  
14 the Roth IRA was created or by the Secretary  
15 on behalf of such individual.

16           “(f) OTHER DEFINITIONS AND SPECIAL RULES.—

17           “(1) MODIFIED ADJUSTED GROSS INCOME.—  
18 For purposes of this section, the term ‘modified ad-  
19 justed gross income’ means adjusted gross income—

20           “(A) determined without regard to sections  
21 911, 931, and 933, and

22           “(B) determined without regard to any ex-  
23 clusion or deduction allowed for any qualified  
24 retirement savings contribution made during  
25 the taxable year.

1           “(2) TREATMENT OF CONTRIBUTIONS.—In the  
2 case of any contribution under subsection (a)(2)—

3           “(A) except as otherwise provided in this  
4 section or by the Secretary under regulations,  
5 such contribution shall be treated in the same  
6 manner as a contribution made by the indi-  
7 vidual on whose behalf such contribution was  
8 made,

9           “(B) such contribution shall not be treated  
10 as income to the taxpayer, and

11           “(C) such contribution shall not be taken  
12 into account with respect to any applicable limi-  
13 tation under sections 402(g)(1), 403(b),  
14 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2),  
15 415(c), or 457(b)(2).

16           “(3) TREATMENT OF QUALIFIED PLANS, ETC.—  
17 A plan or arrangement to which a contribution is  
18 made under this section shall not be treated as vio-  
19 lating any requirement under section 401, 403, 408,  
20 or 457 solely by reason of accepting such contribu-  
21 tion.

22           “(4) ERRONEOUS CREDITS.—If any contribu-  
23 tion is erroneously paid under subsection (a)(2), the  
24 amount of such erroneous payment shall be treated  
25 as an underpayment of tax.

1 “(g) INFLATION ADJUSTMENTS.—

2 “(1) IN GENERAL.—In the case of any taxable  
3 year beginning in a calendar year after 2020, each  
4 of the dollar amounts in subsections (a)(2) and  
5 (b)(3)(A)(i) shall be increased by an amount equal  
6 to—

7 “(A) such dollar amount, multiplied by

8 “(B) the cost-of-living adjustment deter-  
9 mined under section 1(f)(3) for the calendar  
10 year in which the taxable year begins, deter-  
11 mined by substituting ‘calendar year 2019’ for  
12 ‘calendar year 2016’ in subparagraph (A)(ii)  
13 thereof.

14 “(2) ROUNDING.—Any increase determined  
15 under paragraph (1) shall be rounded to the nearest  
16 multiple of—

17 “(A) \$100 in the case of an adjustment of  
18 the amount in subsection (a)(2), and

19 “(B) \$1,000 in the case of an adjustment  
20 of the amount in subsection (b)(3)(A)(i).”.

21 (b) PAYMENT AUTHORITY.—Section 1324(b)(2) of  
22 title 31, United States Code, is amended by striking “or  
23 6431” and inserting “6431, or 6433”.

24 (c) DEFICIENCIES.—Section 6211(b)(4) is amended  
25 by striking “and 6431” and inserting “6431, and 6433”.

1 (d) CONFORMING AMENDMENTS.—

2 (1) Section 25B of the Internal Revenue Code  
3 of 1986 is amended by striking subsections (a)  
4 through (f) and inserting the following:

5 “For payment of credit related to qualified retirement sav-  
6 ings contributions, see section 6433.”.

7 (2) The table of sections for subchapter B of  
8 chapter 65 of such Code is amended by adding at  
9 the end the following new item:

“Sec. 6433. Matching payments for elective deferral and IRA contributions by  
certain individuals.”.

10 (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2019.

13 **SEC. 3. ESTABLISHMENT OF MYRA PROGRAM.**

14 (a) IN GENERAL.—The Secretary of the Treasury  
15 shall, not later than December 31, 2019, establish a per-  
16 manent program, to be known as the “MyRA Program”,  
17 which meets the requirements of this section to establish  
18 and maintain a Roth IRA on behalf of individuals.

19 (b) PROGRAM SPECIFICATIONS.—

20 (1) IN GENERAL.—

21 (A) ROTH IRAS.—The MyRA Program es-  
22 tablished under this section shall—

23 (i) permit an individual to establish a  
24 Roth IRA which satisfies the requirements

1 of section 408A of the Internal Revenue  
2 Code of 1986 on behalf of the individual;

3 (ii) permit an employer to establish  
4 such a Roth IRA on behalf of 1 or more  
5 employees of such employer;

6 (iii) require the assets of each Roth  
7 IRA established under the program to be  
8 held by the designated Roth IRA custo-  
9 dian;

10 (iv) permit contributions to be made  
11 periodically to such Roth IRAs by direct  
12 deposit or other electronic means and by  
13 methods that provide access for the  
14 unbanked;

15 (v) permit distributions and rollovers  
16 from such Roth IRAs upon request of the  
17 account owner;

18 (vi) include procedures to consolidate  
19 multiple accounts established for the same  
20 individual; and

21 (vii) ensure that such Roth IRAs are  
22 invested solely in retirement savings bonds  
23 issued by the Department of the Treasury  
24 for the purpose of the MyRA Program.

1 (B) REGULATIONS, ETC.—The Secretary  
2 of the Treasury shall have authority to promul-  
3 gate such regulations, rules, and other guidance  
4 as are necessary to implement the MyRA pro-  
5 gram, and are consistent with this section, as  
6 well as coordination rules permitting Roth IRAs  
7 to be established under the MyRA program in  
8 connection with State and local laws that enroll  
9 residents in Roth IRAs.

10 (2) NO FEES.—No fees shall be assessed on  
11 participants in the MyRA Program.

12 (3) LIMITATIONS.—

13 (A) CONTRIBUTION MINIMUM.—The Sec-  
14 retary of the Treasury may establish minimum  
15 amounts for initial and additional contributions  
16 to a Roth IRA under the MyRA Program, not  
17 to exceed \$5.

18 (B) ROLLOVER CONTRIBUTIONS NOT PER-  
19 MITTED.—No rollover contribution shall be ac-  
20 cepted to a Roth IRA under the MyRA pro-  
21 gram.

22 (C) ACCOUNT MAXIMUM.—No contribu-  
23 tions shall be credited to a Roth IRA under the  
24 MyRA Program after the account balance of  
25 such Roth IRA reaches \$15,000.

1 (D) LIMITATION ON PARTICIPATION.—

2 Within a reasonable amount of time after the  
3 earlier of—

4 (i) the date the account balance of a  
5 Roth IRA under the MyRA Program  
6 reaches \$15,000; or

7 (ii) the earlier of—

8 (I) the date that the participant  
9 has been a participant in the MyRA  
10 Program for 30 years; or

11 (II) the date that the participant  
12 reaches age 59½;

13 the designated Roth IRA custodian shall pro-  
14 vide notice to the participant that no further  
15 contributions will be accepted and that the par-  
16 ticipant may elect to have the account balance  
17 rolled over to another Roth IRA according to  
18 the rules relating to rollovers and conversions of  
19 Roth IRAs under the Internal Revenue Code of  
20 1986.

21 (E) ADJUSTMENT FOR INFLATION.—

22 (i) IN GENERAL.—In the case of any  
23 calendar year after 2020, the \$15,000  
24 amount in subparagraphs (C) and (D) and

1 subsection (c)(3)(B) shall be increased by  
2 an amount equal to—

3 (I) such dollar amount, multi-  
4 plied by

5 (II) the cost-of-living adjustment  
6 determined under section 1(f)(3) of  
7 the Internal Revenue Code of 1986  
8 for the calendar year, determined by  
9 substituting “calendar year 2019” for  
10 “calendar year 2016” in subpara-  
11 graph (A)(ii) thereof.

12 (ii) ROUNDING.—If any increase de-  
13 termined under clause (i) is not a multiple  
14 of \$50, such increase shall be rounded to  
15 the next lowest multiple of \$50.

16 (4) DESIGNATED ROTH IRA CUSTODIAN.—For  
17 purposes of this section, the designated Roth IRA  
18 custodian is the person designated by the Secretary  
19 of the Treasury to act as custodian of the Roth  
20 IRAs established on behalf of participants in the re-  
21 tirement savings program of such Department.

22 (c) RETIREMENT SAVINGS BONDS.—For purposes of  
23 this section—

24 (1) IN GENERAL.—The term “retirement sav-  
25 ings bond” means an interest-bearing electronic



1 United States savings bond issued to the designated  
2 Roth IRA custodian which is available only to par-  
3 ticipants in the MyRA Program.

4 (2) INTEREST RATE.—Bonds issued under the  
5 MyRA program shall earn interest at a rate equal to  
6 the greater of (determined on the issue date)—

7 (A) the rate earned by the Government Se-  
8 curities Investment Fund established under sec-  
9 tion 8438(b)(1) of title 5, United States Code;  
10 or

11 (B) a Series I United States savings bond.

12 (3) BONDS TO BE CREDITED TO SINGLE AC-  
13 COUNT.—Each retirement savings bond issued to the  
14 designated Roth IRA custodian shall be credited to  
15 a single Roth IRA established through the MyRA  
16 Program on behalf of a participant.

17 (4) REISSUE IN CASE OF CHANGE IN CUSTO-  
18 DIAN.—If a successor designated Roth IRA custo-  
19 dian is designated under subsection (b)(4), the re-  
20 tirement savings bonds issued to the predecessor  
21 designated Roth IRA custodian shall be reissued to  
22 such successor.

23 (d) ROTH IRA.—For purposes of this section, the  
24 term “Roth IRA” has the meaning given such term by  
25 section 408A(b) of the Internal Revenue Code of 1986.

1 **SEC. 4. PROMOTION AND GUIDANCE.**

2 (a) PROMOTION.—The Secretary of the Treasury (or  
3 the Secretary’s delegate) shall educate taxpayers on the  
4 benefits provided under section 6433 of the Internal Rev-  
5 enue Code of 1986 and the myRA Program established  
6 under section 3 of this Act.

7 (b) GUIDANCE.—Not later than December 31, 2020,  
8 the Secretary of the Treasury (or the Secretary’s delegate)  
9 shall issue guidance on the implementation and adminis-  
10 tration of the amendments made by section 2 of this Act.