

U.S. DEPARTMENT OF THE TREASURY

Press Center

**SECRETARY LEW OP-ED-- myRA: A START TO A SECURE RETIREMENT**

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WASHINGTON – In an op-ed to be published in the January 31, 2014 editions of McClatchy Newspapers, Treasury Secretary Jacob J. Lew discusses *myRA* - a simple, safe and affordable starter savings account to help low and moderate-income Americans begin building towards a more secure financial future.

Read the piece [online](#).

The text of the piece follows:

myRA: A start to a secure retirement

Over the past five years, our country has accomplished a number of big things. The economy has grown stronger after being shaken to the core by the worst recession in our lifetimes. Our businesses have created more than 8 million jobs. The financial system is more resilient, with better protections for consumers and investors. And investments in domestic energy production have helped put the promise of American energy independence in sight.

In the meantime, health care costs have grown at their slowest rates in years while millions of families now have access to affordable health care coverage so they are not one hospital visit away from falling into financial ruin. Our auto industry is surging even as home values are rebounding. And the federal deficit has been cut by more than half.

So we have made clear progress. But we all understand that we are not where we want to be yet. Too many Americans cannot find a job. Too many Americans who do have a job are not getting paid enough to support their families and make ends meet. And too many Americans do not have the skills they need to succeed in today's economy.

As President Barack Obama made clear in his State of the Union address, it is time to focus on restoring opportunity for all. That means helping to make sure more Americans can take part in our growing economy and build some economic security for the long term. To get that done, we are putting forward real, concrete solutions to our most pressing problems—from college affordability and job training to fair wages and a stable retirement.

Now, when it comes to retirement, you would think that the vast majority of working Americans would be putting some money away for their future. But the truth is, many are not. For millions of working men and women, it is not easy to save for the long haul. Many employers do not offer a retirement plan. And setting up a retirement account and maintaining it can often be too difficult, expensive and time-consuming.

The statistics paint a stark picture. Only about half of all workers have access to an employer-based retirement plan, such as a 401(k). And left on their own, few workers save. It is estimated that fewer than one out of 10 eligible workers actually contribute to an IRA.

Still, every American deserves the chance to build a secure retirement. That is why the Obama administration has designed a new way for working Americans to start saving for the future. This program, which will begin later this year, is called *myRA* or My Retirement Account.

This account is designed to help low- and middle-income workers, who are too often overlooked or ignored, begin saving for retirement. We are talking about the waitress who is holding down two part-time jobs to support her kids; the recent graduate who landed a job but is grappling with student loans; the janitor who has never been given the chance to invest in a retirement account.

Here is how *myRA*, which is simple, safe and affordable, will work.

You will be able to start saving with an initial deposit of as little as \$25 and contribute as little as \$5 each payday. If an employer chooses to participate, contributions are made through automatic payroll deductions, making them hassle-free.

There are no fees—100% of any contribution goes into the account and is invested in a Treasury security. That means it will be backed by the full faith and credit of the United States, will earn the same interest rate that is available to federal employees for their retirement savings, and the balance will never go down.

Finally, *myRA* is not tied to any one employer—it belongs to the worker, not the workplace. In other words, the account is portable and can be easily rolled into a Roth IRA. And if *myRA* savers ever need to, they can withdraw their contributions tax-free, at any time.

MyRA is a specific way in which we can help hardworking Americans save for the future. But there are other things we can do. In particular, the President has consistently called on Congress to help tens of millions of middle class Americans save for the future by opening up access to automatic IRAs in the workplace.

And we will continue to look for ways to help increase economic security, strengthen the middle class, and provide more ladders of opportunity into the middle class. That is how we will help make sure every American can take part in this recovery. And that is how we will help usher in a stronger, more prosperous future for our country.

Jacob J. Lew is the secretary of the Treasury.

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