

117TH CONGRESS  
1ST SESSION

# H. R. 2913

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 HOUSE OF REPRESENTATIVES

APRIL 30, 2021

Ms. CHU (for herself, Mr. PANETTA, and Ms. SEWELL) introduced the following bill; which was referred to the Committee on Ways and Means

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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. SAVER’S MATCH.**

8 “(a) IN GENERAL.—

9 “(1) ALLOWANCE OF CREDIT.—Any eligible in-  
10 dividual who makes qualified retirement savings con-  
11 tributions for the taxable year shall be allowed a  
12 credit for such taxable year in an amount equal to  
13 the applicable percentage of so much of the qualified  
14 retirement savings contributions made by such eligi-  
15 ble individual for the taxable year as does not exceed  
16 \$3,000.

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

23 “(b) APPLICABLE PERCENTAGE.—For purposes of  
24 this section—

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

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

5                   “(A) the excess of—

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

8                           “(ii) the applicable dollar amount,  
9 bears to

10                   “(B) the phaseout range.

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

14           “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT  
15 RANGE.—

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

18                           “(i) the applicable dollar amount is  
19 \$80,000, and

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

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

22                           “(i) a head of a household (as defined  
23 in section 2(b)), the applicable dollar  
24 amount and the phaseout range shall be  $\frac{3}{4}$   
25 of the amounts applicable under subpara-

1 graph (A) (as adjusted under subsection  
2 (g)), and

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

9 “(4) LIMITATION ON PHASEOUT.—The reduc-  
10 tion provided under paragraph (2) shall not apply to  
11 the extent that such reduction would result in the  
12 amount of the credit allowed under subsection (a) to  
13 be less than \$100.

14 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this  
15 section—

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

20 “(2) DEPENDENTS AND FULL-TIME STUDENTS  
21 NOT ELIGIBLE.—The term ‘eligible individual’ shall  
22 not include—

23 “(A) any individual with respect to whom  
24 a deduction under section 151 is allowed to an-  
25 other taxpayer for a taxable year beginning in

1 the calendar year in which such individual's  
2 taxable year begins, and

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

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

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

10 “(A) the amount of the qualified retire-  
11 ment contributions (as defined in section  
12 219(e)) made by the eligible individual,

13 “(B) the amount of—

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

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

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

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

3           “(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—  
4       TIONS.—

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

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

17           “(i) such taxable year,

18           “(ii) the 2 preceding taxable years,

19           and

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

1           “(C) EXCEPTED DISTRIBUTIONS.—There  
2 shall not be taken into account under subpara-  
3 graph (A)—

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

7           “(ii) any distribution to which section  
8 408(d)(3) or 408A(d)(3) applies, and

9           “(iii) any portion of a distribution if  
10 such portion is transferred or paid in a  
11 rollover contribution (as defined in section  
12 402(e), 403(a)(4), 403(b)(8), 408A(e), or  
13 457(e)(16)) to an account or plan to which  
14 qualified retirement contributions can be  
15 made.

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

1       “(e) APPLICABLE RETIREMENT SAVINGS VEHI-  
2 CLE.—

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

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

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

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

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

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



1           “(B) is for the benefit of the eligible indi-  
2           vidual,

3           “(C) accepts contributions made under this  
4           section, and

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

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

12           “(A) under the MyRA program established  
13           under section 3 of the Encouraging Americans  
14           to Save Act, and

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

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

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

22           “(A) determined without regard to sections  
23           911, 931, and 933, and

24           “(B) determined without regard to any ex-  
25          clusion or deduction allowed for any qualified

1 retirement savings contribution made during  
2 the taxable year.

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

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

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

13 “(C) such contribution shall not be taken  
14 into account with respect to any applicable limi-  
15 tation under sections 402(g)(1), 403(b),  
16 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2),  
17 415(c), or 457(b)(2).

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

24 “(4) ERRONEOUS CREDITS.—If any contribu-  
25 tion is erroneously paid under subsection (a)(2), the

1 amount of such erroneous payment shall be treated  
2 as an underpayment of tax.

3 “(g) INFLATION ADJUSTMENTS.—

4 “(1) IN GENERAL.—In the case of any taxable  
5 year beginning in a calendar year after 2022, each  
6 of the dollar amounts in subsections (a)(2) and  
7 (b)(3)(A)(i) shall be increased by an amount equal  
8 to—

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-  
11 mined under section 1(f)(3) for the calendar  
12 year in which the taxable year begins, deter-  
13 mined by substituting ‘calendar year 2021’ for  
14 ‘calendar year 2016’ in subparagraph (A)(ii)  
15 thereof.

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

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

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

23 (b) PAYMENT AUTHORITY.—Section 1324(b)(2) of  
24 title 31, United States Code, is amended by striking  
25 “6431” and inserting “6433”.

1 (c) DEFICIENCIES.—Section 6211(b)(4) of the Inter-  
2 nal Revenue Code of 1986 is amended by striking “and  
3 6428” and inserting “6428, and 6433”.

4 (d) CONFORMING AMENDMENTS.—

5 (1) Section 25B of the Internal Revenue Code  
6 of 1986 is amended to read as follows:

7 **“SEC. 25B. SAVER’S CREDIT.**

8 “For payment of credit related to qualified retire-  
9 ment savings contributions, see section 6433.”.

10 (2) The table of sections for subchapter B of  
11 chapter 65 of such Code is amended by adding after  
12 the item relating to section 6430 the following new  
13 item:

“Sec. 6433. Saver’s match.”.

14 (3) The table of sections for subpart A of part  
15 IV of subchapter A of chapter 1 of such Code is  
16 amended by striking the item relating to section 25B  
17 and inserting the following new item:

“Sec. 25B. Saver’s credit.”

18 (e) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2021.

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

22 (a) IN GENERAL.—The Secretary of the Treasury (or  
23 the Secretary’s delegate) shall, not later than December  
24 31, 2021, establish a permanent program, to be known

1 as the “MyRA Program”, which meets the requirements  
2 of this section to establish and maintain a Roth IRA on  
3 behalf of individuals.

4 (b) PROGRAM SPECIFICATIONS.—

5 (1) IN GENERAL.—

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

8 (i) permit an individual to establish a  
9 Roth IRA which satisfies the requirements  
10 of section 408A of the Internal Revenue  
11 Code of 1986 on behalf of the individual;

12 (ii) permit an employer to establish  
13 such a Roth IRA on behalf of 1 or more  
14 employees of such employer;

15 (iii) require the assets of each Roth  
16 IRA established under the program to be  
17 held by the designated Roth IRA custo-  
18 dian;

19 (iv) permit contributions to be made  
20 periodically to such Roth IRAs by direct  
21 deposit or other electronic means and by  
22 methods that provide access for the  
23 unbanked;

1 (v) permit distributions and rollovers  
2 from such Roth IRAs upon request of the  
3 account owner;

4 (vi) include procedures to consolidate  
5 multiple accounts established for the same  
6 individual; and

7 (vii) ensure that such Roth IRAs are  
8 invested solely in retirement savings bonds  
9 issued by the Department of the Treasury  
10 for the purpose of the MyRA Program.

11 (B) REGULATIONS, ETC.—The Secretary  
12 of the Treasury shall have authority to promul-  
13 gate such regulations, rules, and other guidance  
14 as are necessary to implement the MyRA pro-  
15 gram, and are consistent with this section, as  
16 well as coordination rules permitting Roth IRAs  
17 to be established under the MyRA program in  
18 connection with State and local laws that enroll  
19 residents in Roth IRAs.

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

22 (3) LIMITATIONS.—

23 (A) CONTRIBUTION MINIMUM.—The Sec-  
24 retary of the Treasury may establish minimum  
25 amounts for initial and additional contributions

1 to a Roth IRA under the MyRA Program, not  
2 to exceed \$5.

3 (B) ROLLOVER CONTRIBUTIONS NOT PER-  
4 MITTED.—No rollover contribution shall be ac-  
5 cepted to a Roth IRA under the MyRA pro-  
6 gram.

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

11 (D) LIMITATION ON PARTICIPATION.—  
12 Within a reasonable amount of time after the  
13 earlier of—

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

17 (ii) the earlier of—

18 (I) the date that the participant  
19 has been a participant in the MyRA  
20 Program for 30 years; or

21 (II) the date that the participant  
22 reaches age 59½;

23 the designated Roth IRA custodian shall pro-  
24 vide notice to the participant that no further  
25 contributions will be accepted and that the par-

1 participant may elect to have the account balance  
2 rolled over to another Roth IRA according to  
3 the rules relating to rollovers and conversions of  
4 Roth IRAs under the Internal Revenue Code of  
5 1986.

6 (E) ADJUSTMENT FOR INFLATION.—

7 (i) IN GENERAL.—In the case of any  
8 calendar year after 2022, the \$15,000  
9 amount in subparagraphs (C) and (D) and  
10 subsection (c)(3)(B) shall be increased by  
11 an amount equal to—

12 (I) such dollar amount, multi-  
13 plied by

14 (II) the cost-of-living adjustment  
15 determined under section 1(f)(3) of  
16 the Internal Revenue Code of 1986  
17 for the calendar year, determined by  
18 substituting “calendar year 2021” for  
19 “calendar year 2016” in subpara-  
20 graph (A)(ii) thereof.

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



1           (4) DESIGNATED ROTH IRA CUSTODIAN.—For  
2 purposes of this section, the designated Roth IRA  
3 custodian is the person designated by the Secretary  
4 of the Treasury to act as custodian of the Roth  
5 IRAs established on behalf of participants in the re-  
6 tirement savings program of such Department.

7           (c) RETIREMENT SAVINGS BONDS.—For purposes of  
8 this section—

9           (1) IN GENERAL.—The term “retirement sav-  
10 ings bond” means an interest-bearing electronic  
11 United States savings bond issued to the designated  
12 Roth IRA custodian which is available only to par-  
13 ticipants in the MyRA Program.

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

17           (A) the rate earned by the Government Se-  
18 curities Investment Fund established under sec-  
19 tion 8438(b)(1) of title 5, United States Code;  
20 or

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

22           (3) BONDS TO BE CREDITED TO SINGLE AC-  
23 COUNT.—Each retirement savings bond issued to the  
24 designated Roth IRA custodian shall be credited to

1 a single Roth IRA established through the MyRA  
2 Program on behalf of a participant.

3 (4) REISSUE IN CASE OF CHANGE IN CUSTO-  
4 DIAN.—If a successor designated Roth IRA custo-  
5 dian is designated under subsection (b)(4), the re-  
6 tirement savings bonds issued to the predecessor  
7 designated Roth IRA custodian shall be reissued to  
8 such successor.

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

12 (e) SECRETARY.—For purposes of this section, the  
13 term “Secretary” means the Secretary of the Treasury (or  
14 the Secretary’s delegate).

15 **SEC. 4. PROMOTION AND GUIDANCE.**

16 (a) PROMOTION.—

17 (1) IN GENERAL.—The Secretary shall take  
18 such steps as the Secretary determines are necessary  
19 and appropriate to increase public awareness of the  
20 benefits provided under section 6433 of the Internal  
21 Revenue Code of 1986 and the MyRA Program es-  
22 tablished under section 3 of this Act.

23 (2) REPORT TO CONGRESS.—

24 (A) IN GENERAL.—Not later than 90 days  
25 after the date of the enactment of this Act, the

1 Secretary shall provide a report to Congress to  
2 summarize the anticipated promotion efforts of  
3 the Treasury with respect to paragraph (1).

4 (B) CONTENTS.—The report under sub-  
5 paragraph (A) shall include—

6 (i) a description of plans for—

7 (I) the development and distribu-  
8 tion of digital and print materials, in-  
9 cluding the distribution of such mate-  
10 rials to States for participants in  
11 State-sponsored retirement savings  
12 plans, and

13 (II) the translation of such mate-  
14 rials into the ten most commonly spo-  
15 ken languages in the United States  
16 after English (as determined by  
17 American Community Survey data),  
18 and

19 (ii) such other information as the Sec-  
20 retary determines necessary.

21 (b) GUIDANCE.—Not later than December 31, 2021,  
22 the Secretary shall issue guidance on the implementation  
23 and administration of the amendments made by section  
24 2 of this Act.

1           (c) SECRETARY.—For purposes of this section, the  
2 term “Secretary” means the Secretary of the Treasury (or  
3 the Secretary’s delegate).

○