DEPARTMENT OF THE TREASURY

Fiscal Service

[Docket No. FISCAL–2015–0001]

Request for Public Comment on the Process for Transferring *my*RA® Account Balances to Private Sector Roth IRAs

AGENCY: Bureau of the Fiscal Service, Fiscal Service, Treasury.

ACTION: Notice and Request for Information.

SUMMARY: The United States Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service) has developed a new Treasury electronic retirement savings bond to give working individuals (particularly those not currently saving) a new opportunity to begin saving for retirement.[1] The bond, targeted to new savers who lack access to an employer-sponsored retirement plan, is available as an investment for eligible individuals who choose to save in Roth IRAs maintained by Treasury's financial agent. A Roth IRA invested in the new bond is called a *my*RA® (short for my Retirement Account). Account holders can transfer their *my*RA account balance into a private sector Roth IRA of their choosing at any time.[2]

Individuals can continue to participate in *my*RA until they reach the ''Transfer Threshold,'' which is the point when their account balance reaches $15,000 or they have participated in *my*RA for 30 years, whichever occurs first. *my*RA is designed to encourage new savers to develop a regular habit of saving so that they will be ready to graduate from this starter account and continue saving in the private sector for the long term. The retirement savings bond will be redeemed when the myRA account holder graduates from the starter account, the *my*RA account will be closed, and the account balance may be transferred (or rolled over) tax-free to a private sector Roth IRA.[3]

Treasury requests information and public comment on possible options for (1) communicating effectively with account holders about considerations and options for transferring their *my*RA account balances to private sector Roth IRAs, and (2) transferring the *my*RA account balances of account holders who do not provide transfer instructions to Treasury's financial agent by the time they reach the Transfer Threshold.

DATES: Submit comments on or before Friday, October 23, 2015.

ADDRESSES: See **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments. You may submit comments using one of the following methods:

- *Electronic Submission:* Submit electronic comments through the Federal eRulemaking Portal at *www.regulations.gov.* Follow the instructions on the Web site for submitting comments.
- *Mail:* Send comments to the Department of the Treasury, Bureau of the Fiscal Service, Attn: Kimberly S. Reese, 200 Third Street Room 402, Parkersburg, WV 26106.

FOR FURTHER INFORMATION CONTACT: Kimberly Reese, at (304) 480–7929 or *kimberly.reese@fiscal.treasury.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

*my*RAs are designed to encourage more Americans to begin saving. They provide individuals—particularly those lacking access to employer-sponsored retirement plans—a simple, safe, and affordable way to save by investing in a newly-developed U.S. retirement savings bond.

II. *my*RA Features

The newly-developed retirement savings bond is the only investment that can be held by a *my*RA account. No fees are charged to individuals for opening and maintaining the *my*RA account or for investing in the retirement savings bond. Currently, account holders can fund their *my*RA accounts via their employers' direct deposit processes. Later in 2015, the program also will allow individuals to fund their *my*RA accounts directly via electronic (ACH) transfers from other accounts, such as their bank or credit union accounts. Account holders are able to manage their accounts either online or by calling a customer service center operated by Treasury's designated financial agent.

To be simple and convenient for new savers, the bond has been designed as an add-on security. This means that, instead of having a fixed denomination, such as $100 or $1,000, the amount of the bond grows with contributions plus interest. Therefore, an individual may make initial and subsequent contributions in any amount (subject to the Roth IRA contribution limits), on a regular basis or from time to time, and need not acquire multiple bonds because all contributions are added to the principal amount of the bond. Because the bond is the only investment that may be held in a *my*RA, the total account balance of the *my*RA is equal to the principal amount of the bond plus the interest accrued in the account (minus any withdrawals by the account holder).

The amount in the *my*RA account cannot go down in value (except as a result of withdrawals, transfers, or rollovers by the account holder), and is backed by the full faith and credit of the United States. The bond will continue to earn interest until the account holder redeems it, or until the bond reaches the Transfer Threshold of $15,000 or 30 years, whichever is earlier. Interest is earned at the same variable rate as securities issued to the Government Securities Investment Fund (G Fund) in the Thrift Savings Plan for federal employees. The G Fund interest rate is calculated pursuant to 5 U.S.C. 8438(e)(2), and the retirement savings bond interest rate compounds daily at $1/360$ of the annual percentage rate.

Account holders can choose to transfer their *my*RA account balance into a private sector Roth IRA of their choosing at any time. After an individual's *my*RA account balance reaches the Transfer Threshold, the retirement savings bond will stop earning interest. Subsequently, the bond will be redeemed, and the *my*RA account will be closed. Treasury wishes to encourage individuals to proactively transfer their *my*RA account balances to a private sector Roth IRA at or prior to the Transfer Threshold, and to make this process of graduating to the private sector understandable and easy for account holders.

Treasury recognizes that some account holders may not actively select a destination for their *my*RA account balances. For those *my*RA account holders, Treasury would like to develop appropriate procedures by which its financial agent will transfer the account holder's *my*RA account balance to a Roth IRA at a private sector IRA provider determined under a Treasury-approved process. Entities eligible to be designated for this purpose could potentially include any U.S. depository institution or other U.S. entity that is qualified to offer and does offer Roth IRAs.

III. Sample Approaches for Transfer Process

This section describes potential approaches for the transfer of *my*RA account balances to other Roth IRAs. Under each of these approaches there is no added cost to the U.S. government relating to the transfer of *my*RA account

[1] More information on *my*RA is available at *www.myRA.gov.*

[2] Some private sector IRAs have minimum initial investment requirements.

[3] Under current tax law, Roth IRAs may be transferred or rolled over tax-free only to other Roth IRAs, not to traditional IRAs or to employer-sponsored plans.

balances to other Roth IRA providers to accept transferred *my*RA account balances. Furthermore, Treasury's designated financial agent will be responsible for all communication and contact with account holders during this process as well as administrative and record keeping services associated with this process.

Under any of the approaches outlined below, the financial agent would notify a *my*RA account holder at certain times before the account is expected to reach the Transfer Threshold. Before or when the account reaches the Transfer Threshold, the account holder could instruct the financial agent to transfer his or her *my*RA account balance to a new or existing Roth IRA at a provider of the account holder's choosing (or could request a distribution). For account holders who do not provide instructions following the initial notice, the financial agent would follow up with an additional notice or notices requesting transfer or distribution instructions and providing information about private sector Roth IRA transfer options.

An account holder who does not provide transfer instructions after reaching the Transfer Threshold would ultimately receive a notice stating that the account balance will be transferred to a specified private sector Roth IRA.[4] Accordingly, the financial agent, pursuant to a process established by Treasury, would open a Roth IRA on behalf of the account holder at a provider designated to accept a transfer and would transfer the account holder's *my*RA account balance to the accepting Roth IRA provider. Both the accepting Roth IRA provider and the financial agent would notify the account holder of the transfer when it occurs.

As described below, Treasury is considering alternative possible approaches for the process of automatically transferring the *my*RA account balances of account holders who do not provide the financial agent with instructions.

A. Rotating Approach: Allocation of Transfers Among a Number of Roth IRA Providers Determined Under a Treasury-Approved Process

One approach Treasury is considering is to approve a number of specified Roth IRA providers that are willing to open and maintain Roth IRAs for *my*RA account holders who fail to give instructions after their *my*RA accounts reach the Transfer Threshold. Under this approach, the list of these Roth IRA providers would be sent to *my*RA account holders pursuant to one or more of the notices described above. For account holders who do not provide transfer instructions, the financial agent would transfer their *my*RA account balances to providers on the list on a rotating basis. For example, if there were seven providers on the list, the first account holder's account balance might be transferred to Provider A, the second account holder's account balance might be transferred to Provider B, and so forth until account balances have been transferred to all seven providers. At that point, the process would start over with the account balance for the eighth account holder being transferred to Provider A, and so forth. Account holders would be notified of the Roth IRA provider on the list to which their *my*RA account balance would be transferred.

B. Single-Provider Approach: Allocation of Transfers to a Single Roth IRA Provider Determined Under a Treasury-Approved Process

Another approach Treasury is considering is to approve a single Roth IRA provider (instead of multiple providers) that is willing to open and maintain Roth IRAs for *my*RA account holders who fail to give instructions after their *my*RA accounts reach the Transfer Threshold.

C. Other Approaches

Comments are invited on possible alternatives to, or variations on, the potential approaches outlined above that should be considered.

IV. Request for Comments

The public is invited to comment on any aspect of these possible approaches, including the specific issues listed below and suggestions or other information for the design of this process. In particular, suggestions are requested on how to provide appropriate consumer protections without imposing undue or unnecessary requirements, conditions, costs, or complexity.

A. General Input

- Which potential approach outlined above—multiple possible default destinations or a single default destination—would result in both the best end user and the best service provider experience?
- What are the inherent risks and benefits of the potential approaches outlined above from an end user as well as a service provider perspective?

B. Notification and Education Questions

- What are the key topics, messages, and information Treasury should provide to account holders about their options, and about saving for retirement more generally, when they are considering the transfer of their account balances? When and in what form should these communications and related retirement savings education occur? How can Treasury make the best use of *my*RA as an opportunity to promote financial capability and literacy and financial education?
- How far in advance, how often, and in what form (*e.g.*, email, mailed notification, telephone calls, text messages) should the financial agent notify *my*RA account holders of the approaching Transfer Threshold, and how and in what form should account holders be notified that their account balances have been automatically transferred?
- As part of the notification process under either scenario described above, should the financial agent include a list of available Roth IRA providers to help account holders choose their own Roth IRA providers, in addition to a list of the providers selected to receive automatic transfers of *my*RA account balances?
  - If so, what eligibility criteria should Treasury consider in selecting providers to be on that potentially broader list of Roth IRA providers? How should the eligibility criteria be similar to or different from the eligibility criteria for a provider to accept automatically-transferred accounts?
  - What information about each provider and its IRAs, investments, and services (and the associated fees and expenses) should be provided? Should the information about different providers be made readily comparable and, if so, how? Should a Treasury-provided internet portal be made available (or be linked to) for this purpose?
- To what extent could or should Treasury partner with outside organizations or use other means of communication besides direct contact from the financial agent to promote awareness of the Transfer Threshold and transfer options? Specific examples are requested, together with explanations as to why they would be effective.

C. Automatic Transfer Process Questions

- As part of the process for opening a *my*RA account, the designated financial agent obtains a customer's

[4] A transfer to the private sector would have no tax consequences for account holders and would allow them to continue to grow their retirement savings beyond *my*RA (unlike a distribution of the funds upon reaching the Transfer Threshold, which ordinarily would be a taxable event, depending on account holders' circumstances).

consent to automatically transfer the *my*RA account balance and related account and personal information to another Roth IRA provider if the *my*RA account reaches the Transfer Threshold without transfer or distribution instructions from the account holder. Will Roth IRA providers be comfortable opening accounts on this basis?

- What eligibility criteria should Treasury consider in selecting providers to receive automatic transfers?
- Should Treasury impose any specific guidelines or conditions on providers? If so, what types of guidelines or conditions should there be? How long should they remain in effect or should they be indefinite?
- Is there a particular number of Roth IRA providers that should be selected among those that are willing to accept automatic transfers of *my*RA account balances?
- How would the number of providers on the list affect the willingness of potential providers to participate as recipients of automatic transfers?
- What factors are likely to make a Roth IRA provider willing (or unwilling) to be selected to receive automatically transferred *my*RA account balances?
- Are there potential requirements that would discourage Roth IRA providers from choosing to be on the list of institutions that accept automatically transferred *my*RA account balances?
- Are there potential circumstances that would cause providers to wish to decline receipt of an automatically transferred *my*RA account?
- If there are multiple providers receiving automatically transferred *my*RA account balances, how should accounts be transferred to providers?

D. Automatic Transfer Provider Fee Structure Questions

- Should Treasury establish guidelines for the types and/or amounts of fees or other charges that providers that accept automatic transfers may charge the account holder? If so, how? What types and levels of fees or other charges should be permitted? How should they be disclosed?
- How would any such guidelines affect the willingness of such providers to participate?
- Should any such guidelines require that all such providers charge the same fees, or should varying fees be permitted?

E. Automatic Transfer Investment Offering Questions

- What types of investment options should providers that accept automatic transfers be permitted or required to offer, and what policies, fees, or determining factors should be considered?
- Should these or other providers be required to provide a default investment option for automatically transferred accounts, and, if so, what should that default investment option be (for example, a target date fund)?
- Should the default investment be different depending upon the characteristics (*e.g.*, age or account balance size) of a particular account holder?
- Should providers be required to offer alternative investment options in addition to a default option? If so, should there be specific criteria for the types of alternative investment options, for example having at least one ''safe'' (principal-protected) alternative investment option?

F. Other Questions

- Are there key or unique features of *my*RA that Treasury should consider when selecting providers or that could present a challenge in the context of transfers to the private sector?
- What other operational, legal, or regulatory issues should Treasury be aware of or take into consideration in developing a *my*RA account balances transfer process?

V. Comments Instructions

Comments should refer to docket number FISCAL–2015–0001, and should also include (1) the supporting rationale; and (2) alternative approaches, if any, that should be considered, including specific examples and options. All comments received will become part of this docket, and in general, will be published on *www.regulations.gov* without change, including any business or personal information provided. You should only submit information that you wish to make publicly available. Comments received will also be available for public inspection and copying at the Treasury Department Library, Main Treasury Building, 1500 Pennsylvania Avenue NW., Washington, DC 20220. To visit the library, call (202) 622–0990 for an appointment.

Authority: 31 CFR part 347.

Dated: August 6, 2015.

David A. Lebryk,

Fiscal Assistant Secretary.

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DEPARTMENT OF VETERANS AFFAIRS

Enhanced-Use Lease of Department of Veterans Affairs (VA) Real Property for the Development of a Housing Facility on One Parcel of Land Totaling Approximately 5.4 Acres of Land in Grand Island, Nebraska

AGENCY: Department of Veterans Affairs.

ACTION: Amended notice of intent to enter into an amended Enhanced-Use Lease (EUL).

SUMMARY: The Secretary of VA intends to amend the scope and terms of an existing EUL that was entered into during the month of December 2011, totaling approximately 4.6 acres of land, for the purpose of constructing and developing 102 units of supportive housing for Veterans. Since that time market conditions have changed making the original scope infeasible. This notice provides details on the current scope and terms of the proposed amended EUL. The EUL lessee will finance, design, develop, manage, maintain and operate up to 78 units of housing for eligible Veterans, on approximately 5.4 acres of land in one or more phases at the Grand Island VAMC campus for eligible homeless Veterans, and Veterans at risk of homelessness, on a priority placement basis, and provide supportive services that guide resident Veterans toward attaining long-term self-sufficiency.

FOR FURTHER INFORMATION CONTACT: Edward L. Bradley III, Office of Asset Enterprise Management (044), Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 461–7778.

SUPPLEMENTARY INFORMATION: As required under Section 211(b)(2)(B) of Public Law 112–154, this amended EUL will adhere to the prior version of VA's EUL statute dated as of December 30, 2011.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Robert A. McDonald, Secretary of Veterans Affairs, approved this document on August 7, 2015 for publication.