



CONVERSATION *on* COVERAGE

Sparking a National Pension Policy Dialogue

A Pension Rights Center Initiative

The Retirement Investment Account (RIA)

The Retirement Investment Account Plan (RIA) is a national retirement savings plan administered through a central clearinghouse for all workers who are not currently eligible to participate in an employer-sponsored plan.

Workers would hold a single account for their lifetime and, thus, the account would be portable across all private sector jobs. Participants would be automatically enrolled into investments appropriate for their age. Employers would be required to enroll all eligible workers who are not eligible to contribute to an employer-sponsored retirement saving plan.

The main features of the RIA:

- **A central national clearinghouse:** Accounts will be managed by a central national clearinghouse, a government-sponsored body.
- **Privately managed:** Investment funds will be managed by private-sector fund managers, contracted by the clearinghouse.
- **Payroll deduction:** Employee contributions will be made through payroll deductions.
- **Broadest possible eligibility:** All workers not covered by a contributory retirement savings plan (such as a 401(k) plan) would be eligible to participate. This includes part-time, contract, and self-employed workers.
- **Automatic enrollment:** Employers will be required to automatically enroll all eligible workers, unless the worker chooses to opt out.
- **Balanced investment funds:** Participant contributions will be placed automatically in a default investment pool that will be a diversified balanced fund or a life cycle fund. Participants who opt out of the automatic investment will have a limited choice of investment options.
- **Portability:** Accounts would be portable across all employers and between the RIA and employer-sponsored plans, as well as IRAs and vice versa.
- **Matching tax credits:** Low- and moderate-income workers are eligible to receive matching government tax credits.

For more information about the RIA, visit www.conversationoncoverage.org or call Karen Friedman at 202-296-3776.