



SENATE MAJORITY OFFICE

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CONTACT: Tom Powers (503) 986-1074
tom.powers@state.or.us

Legislation expands access to savings program that grows the middle class

HB 2316A allows low-income Oregonians with pension holdings to have an Individual Development Account

SALEM—The Oregon Senate today voted to expand access to a program that helps low-income Oregonians save money and find their way to economic security. House Bill 2316A, which passed on a vote of 30-0, provides an exception allowing for participants of the Oregon Individual Development Account (IDA) Initiative to have up to \$60,000 in pension holdings before they enter the program.

“The middle class is the foundation of our economy and our communities. We need to help working Oregonians achieve financial resiliency and save up for their retirement,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “The Oregon IDA Initiative is a great tool for lifting Oregonians out of poverty, and HB 2316A allows low-income people with a modest retirement account to take advantage of the program.”

The Oregon IDA Initiative provides its low-income participants with financial management skills and matching accounts that boost savings, investment, and asset building. Participants save money and work towards a financial goal, and when they reach that goal the initiative matches every dollar saved through private donations. Oregon provides a tax credit of up to 75 percent of contributions to the nonprofit organization that runs the Oregon IDA Initiative.

Current limits on assets mean many IDA initiative partners have had to turn away otherwise eligible participants because of their modest retirement savings. HB 2316A changes the criteria for participating in the initiative by excluding up to \$60,000 of pension holdings from the means-tested calculation of eligibility, which includes income limits. State law currently exempts \$20,000 plus a participants first home and vehicle from the net worth eligibility calculation.

“Many Oregonians are rapidly approaching retirement age without being financially prepared to retire,” said Senator Lee Beyer (D-Springfield). “Expanding the criteria to participate in this unique, effective savings program will allow more Oregonians to stabilize their finances and become part of the middle class.”

As of January 2013, more than 2,400 Oregonians are working with the Oregon IDA Initiative to save up and work towards their financial plan.

House Bill 2316A will now move to Governor John A. Kitzhaber’s desk for his signature.

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