

Bi-Partisan Initiative Will Help Wisconsin Children Begin Saving at Birth

Written by Evan Goyke Press
Thursday, 20 January 2022 08:58 -



401(K)ids creates an IRA-like investment account for every child born or adopted in Wisconsin.

MADISON - Wednesday, Representative Macco, Representative Goyke, and Senator Ringhand introduced [LRB 5348](#) that creates the 401(K)ids saving program to help every child in Wisconsin begin saving at birth. The bi-partisan group of legislators used framework provided by the [Retirement Security Task Force](#) to develop the initiative.

401(K)ids creates an IRA-like investment account for every child born or adopted in Wisconsin. The account is invested and managed by the State of Wisconsin and at the age of 18, the individual account holder may access the savings, without tax penalty for: tuition or expenses for higher education; first-time home ownership; a medical emergency; or the individual can roll the savings into a different retirement savings account. Each account is seeded with a modest investment from the state and the account holder, family members, friends, philanthropic or business groups can also contribute to an account. The bill authors offered the following statement regarding 401(K)ids:



“This legislation gives children in Wisconsin the opportunity to experience first-hand the power of saving. 401(K)ids sets up the infrastructure for young savers to learn how to make smart financial decisions and allows them to directly invest in their futures. Far too many working

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Wisconsinites struggle to save later in life, so providing a solid foundation for early saving will allow our new generation to accumulate significant assets and improve their financial security while reducing the need to take on debt.”