

# **A 401K FOR KIDS**

## **JUNE 2006**

There was a measure introduced this past May that would let parents establish savings accounts for their children at birth for the purpose of financing college, buying a home and saving for retirement. It is called the 401K Family Savings Act. This bill HR 5314 would let parents contribute up to \$2000 a year of after tax dollars, where all interest and gains would accumulate tax-free and withdrawals for all approved purposes would be tax –free.