

Section-by-Section Bill Description of the American Dream Accounts Act of 2024

Sec. 1. SHORT TITLE.

States the bill may be cited as the “American Dream Accounts Act of 2024”.

Sec. 2. ESTABLISHMENT OF AMERICAN DREAM ACCOUNTS.

Directs the Social Security Administration (SSA) to establish and manage an American Dream Account, seeded with \$5,000, on behalf of every American citizen born in the United States or naturalized before the age of 18. Provides a \$10,000 bonus to Americans who serve for at least a year in the Peace Corps or AmeriCorps before requesting a disbursement from their American Dream Account. The American Dream Account will not be considered for the purpose of determining eligibility for federal assistance programs (TANF, SSI, etc.) and may not be garnished.

Sec. 3. INVESTMENT GUIDELINES.

Directs the SSA to invest the funds of each American Dream Account in an index fund designed to match the performance of an equity index, such as the S&P 500.

Sec. 4. DISBURSEMENT.

Allows Americans to receive disbursements from an American Dream Account between the ages of 18 and 25, once they have obtained a high school diploma, GED, or a waiver of disability from the SSA. Recipients may receive their disbursements in a lump sum direct deposit, monthly checks, or rollover into a Roth IRA.

Accountholders must request disbursement before their 26th birthday or the balance of the Account is returned to the Treasury. Accounts whose beneficiary dies before disbursement will be bequeathed to the appropriate individual, in accordance with applicable state and local laws. Disbursements from an Account shall not be considered in the determination of eligibility for federal assistance programs in the year in which the Account is disbursed.

Sec. 5. OFFICE OF THE AMERICAN DREAM.

Establishes within the SSA an Office of the American Dream, which is responsible for developing expertise in the management of financial investments and pension benefit plans. The Director of the Office will establish policies to guide the Commissioner’s investment and management of the American Dream Accounts. The Office shall provide oversight over the program – including performance of investments made for the Accounts – and execute its duties in the sole interest of accountholders.

Sec. 6. TAX TREATMENT.

States that disbursements from an American Dream Account are tax-exempt.

Sec. 7. ESTABLISHMENT OF WEBSITE AND MOBILE APPLICATION.

Directs the SSA, in consultation with the Department of Education, to create a public website and mobile application for accountholders to track the progress of their American Dream Accounts.

Sec. 8. FINANCIAL MANAGEMENT AND ENTREPRENEURSHIP CURRICULUM.

Directs the Department of Education to develop and disseminate to states best practices for teaching financial management and entrepreneurship, including information specific to the tracking and usage of the American Dream Account. Makes available grant funding for states to implement these best practices in its public school districts.

Sec. 9. DEFINITIONS.

Defines key terms in the legislation:

- “Commissioner” means the Commissioner of the SSA;
- “Covered Individual” means an accountholder, who has been issued a social security number and is either a natural born citizen or has been naturalized before age 18; and
- “Eligible Beneficiary” means the person, under applicable state and local laws, who will receive the disbursements from an American Dream Account whose beneficiary is deceased.

Sec. 10. APPROPRIATIONS.

Provides appropriations of the Treasury necessary to carry out this legislation. Importantly, this legislation is intended to be fully paid for.