



Retirement Plans: Check your state's requirements

State-mandated retirement plans are laws that require employers to offer retirement savings options to their employees. These plans are expected to assist low- to moderate-income workers in saving for retirement.

How do they work?

Eligibility: Employers must meet specific criteria, such as having a minimum number of employees.

Enrollment: Employees are automatically enrolled in the plan unless they choose to opt out.

- **Contributions:** Employees generally contribute a percentage of their wages through payroll deductions.
- **Plan type:** Many state-sponsored plans are Roth IRAs, which have lower contribution limits compared to 401(k) plans.

Why are they important?

State-mandated retirement plans can increase retirement savings for workers who might not have access to a retirement plan, potentially helping to address the retirement savings gap in the United States.

What options do employers have?

Employers can enroll in the state-sponsored program or offer a 401(k) or another retirement plan that complies with their state's requirements.

What are the penalties for non-compliance?

Employers who fail to register for a state-run plan or a qualifying private plan may face penalties.



States with active retirement laws

1. California

- **Type of plan:** Auto-IRA
- **Deadlines:** By December 31, 2025, employers with 1+ employees not offering a retirement plan must join. Deadlines for businesses with 100+, 50+, and 5+ employees have passed.
- **Fines:** Noncompliance may result in \$250 per employee after 90 days and an additional \$500 per employee after 180 days.

Learn more about <https://www.calsavers.com/>

2. Colorado

- **Type of plan:** Auto-IRA
- **Deadlines:** All existing deadlines have passed. Employers with 5 or more employees that have been in business for two or more years, and who do not currently offer a qualified retirement plan are required to comply.
- **Fines:** Employers may incur a fine of \$100 per employee (up to a maximum of \$5,000 per calendar year) if found non-compliant.

Learn more about <https://coloradosecuresavings.com/>

3. Connecticut

- **Type of plan:** Auto-IRA
- **Deadlines:** All deadlines have passed. Employers with 5+ employees must comply.
- **Fines:** Noncompliance fines after 90 days:
 - \$500 for 5-24 employees
 - \$1,000 for 25-99 employees
 - \$1,500 for 100+ employees

Learn more: [MyCTSavings](#)

4. Delaware

- **Type of Plan:** Auto-IRA
- **Deadlines:** Employers with five or more employees who do not currently offer a qualified retirement plan are required to comply by October 15, 2024.
- **Fines:** Employers that fail to comply with the law may face fines of up to \$250 per employee per year, with a maximum total penalty of \$5,000 per year.

Learn more: <https://earnsdelaware.com/>

5. Illinois

- **Type of plan:** Auto-IRA
- **Deadlines:** Employers with 5+ employees, who have been in business for at least two years and do not offer a qualified retirement plan, must comply.
- **Fines:** \$250 per employee for the first year of non-compliance; \$500 per employee for each following year.

Learn more: <https://www.ilsecurechoice.com/>

6. Maine

- **Type of Plan:** Auto-IRA
- **Deadlines:** The final existing deadline is April 30, 2024. By this date, employers with five or more employees who do not currently offer a qualified retirement plan must participate in the program. Mandates for businesses with 25 or more employees and 15 or more employees have already been implemented.

- **Fines:** Noncompliance penalties are assessed on a per eligible employee basis as outlined below:
 - \$20 per eligible employee from July 1, 2025 - June 30, 2026
 - \$50 per eligible employee from July 1, 2026 - June 30, 2027
 - \$100 per eligible employee starting July 1, 2027

Learn more about <https://meritsaves.org/>

7. Maryland

- **Type of plan:** Auto-IRA
- **Deadlines:** TBD (launched on September 15, 2022)
- **Fines:** TBD

Learn more: [MarylandSaves](#)

8. Massachusetts

- **Type of Plan:** Voluntary Open **Multiple Employer Plan** (MEP)
- **Deadlines:** The Massachusetts CORE Plan is voluntary and accessible to small nonprofit organizations with 20 or fewer employees. There are no specified enrollment deadlines.
- **Fines:** As participation in the plan is voluntary, there are no penalties for nonparticipation.

Learn more: <https://www.mass.gov/core-plan-for-nonprofits>

9. New Jersey

- **Type of plan:** Roth IRA

Deadlines:

- NJ employers with 40+ employees and 2+ years in business: Deadline 9/15/2024
- NJ employers with 25-39 employees and 2+ years in business: Deadline 11/15/2024
- **Fines:** After a written warning in the first year, employers are subject to these fines per employee for every year following: \$100 in year 2, \$250 in years 3-4, \$500 in year 5+.

Learn more: <https://www.nj.gov/treasury/securechoiceprogram/>

10. Oregon

- **Type of plan:** Auto-IRA
- **Deadlines:** Employers with 1+ employees must register by July 31, 2024, if not offering a qualified retirement plan.
- **Fines:** Non-compliant employers may face \$100 per employee fines, up to \$5,000 annually.

Learn more: <https://www.oregonsaves.com/>

11. Virginia

- **Type of Plan:** Auto-IRA
- **Deadlines:** Businesses with 25 or more employees that have been in operation for at least two years and do not currently offer a qualified retirement plan have already passed the existing deadlines.
- **Fines:** Eligible businesses may incur penalties of up to \$200 per eligible employee per year for noncompliance.

Learn more: <https://www.retirepathva.com/>

12. Washington

- **Plan Type:** Auto-IRA
- **Deadlines:** TBD
- **Fines:** TBD

Learn more: <https://lni.wa.gov/workers-rights/workplace-policies/washington-saves-retirement-program>