

State-Mandated Retirement Plans

State-mandated retirement plans are programs established by state governments to provide workers with access to retirement savings options, particularly when they lack employer-sponsored plans. These programs may include traditional pension plans or defined contribution plans such as 401(k)s or IRAs (Individual Retirement Arrangements). Employers in states with these mandates are required to either enroll their employees in the state's program or offer an alternative qualifying retirement plan.

Several states, including California, Colorado, and Connecticut, have implemented these programs with the goal of enhancing the financial security of their workforce. It is crucial for employers in states with mandated retirement plans to understand their obligations to either participate in the state program or provide their own qualifying plan.

Additional information about state-mandated retirement plans is provided below.

Mandatory Programs (As of May 2024)

State	Plan Name	Coverage	Default contribution rate	Penalties
California	CalSavers calsavers.com	Employers with at least one employee.	5% with auto-escalation of 1% per year, capped at 8% of salary.	Up to \$750 per eligible employee.
Colorado	Colorado Secure Savings Program Colorado SecureSavings	Employers with five or more employees that have been in business for at least two years.	5% with auto-escalation of 1% per year, capped at 8% of salary.	Up to \$100 per eligible employee per year; not to exceed \$5,000 in a calendar year.

State	Plan Name	Coverage	Default contribution rate	Penalties
Connecticut	MyCTSAvings myctsavings.com	Employers with five or more employees who earn more than \$5000 annually.	3%	Employees or state labor commissioner may bring a civil action to enforce enrollment.
Delaware	Delaware Expanding Access for Retirement and Necessary Saving (EARNs) Program	Employers with five or more employees that were in business at least six months in the previous calendar year.	To be determined; must be at least 3% but no more than 6%. Auto-escalation may apply at 1% or 2% per year, capped at 15% or less.	Up to \$250 per employee per year, to a maximum total penalty of \$5,000 per year.
Hawaii	Hawaii Retirement Savings Program	Employers with one or more employees that have not offered a retirement plan in the past two years	5%	Up to \$500 per violation; not to exceed \$5,000 in a calendar year.
Illinois	Illinois Secure Choice ilsecurechoice.com	Employers with five or more employees that have been in business for at least two years.	5% with auto-escalation of 1% per year, capped at 10% of salary.	Up to \$500 per eligible employee.
Maine	Maine Retirement Savings Program	Employers with five or more employees that have been in business for at least two years.	5% with auto-escalation of 1% per year, capped at 8% of salary.	Up to \$100 per eligible employee per year.

State	Plan Name	Coverage	Default contribution rate	Penalties
Maryland	Maryland Saves marylandsaves.com	Employers with at least 1 W2 employee use an automated payroll system and have been in business for at least two calendar years.	5% with auto-escalation of 1% per year, capped at 10% of salary.	Employers that do not comply will not qualify for a waiver of the \$300 annual filing fee for Maryland businesses.
Massachusetts	CORE https://www.mass.gov/core-plan-for-nonprofits	Employers that use an automated payroll system and have been in business for at least two calendar years.	5% with auto-escalation of 1% per year, capped at 10% of salary.	Employers that do not comply will not qualify for a waiver of the \$300 annual filing fee for Maryland businesses.
New Jersey	Secure Choice Savings Plan	Employers with 25 or more employees that have been in business for at least two years.	3%	Up to \$500 for each unenrolled employee, and up to \$5,000 for unremitted contributions.
New Mexico	New Mexico Work and Save Program	Voluntary for all private and non-profit employees; Employers with at least 10 employees during the previous calendar year.	3%	Enforcement of penalties is to be determined.
New York	New York State Secure Choice Savings Program	Employers with at least 10 employees during the previous calendar year. Employers with at least 5 employees in New York City.	3%	Enforcement of penalties is to be determined.

State	Plan Name	Coverage	Default contribution rate	Penalties
Oregon	OregonSaves oregonsaves.com	Employers that do not already provide a qualified retirement plan.	5% with auto-escalation of 1% per year, capped at 10% of salary.	Up to \$100 per eligible employee; not to exceed \$5,000 in a calendar year.
Vermont	Green Mountain Secure Retirement Plan https://www.vermonttreasurer.gov/sites/treasurer/files/GMSRP%20PowerPoint%20Final.pdf	Voluntary; Employers with 50 or less employees.	5% with the option to change or opt out entirely.	To be determined.
Virginia	RetirePath retirepathva.com	Employers with 25 or more employees that have been in business for at least two years and do not offer a qualified retirement plan.	5% with auto-escalation of 1% per year, capped at 10% of salary.	To be determined, but not to exceed \$200 per employee annually.
Washington	Small Business Retirement Marketplace	Voluntary; Intended for companies with 100 or less employees.	5% with auto-escalation of 1% per year, capped at 10% of salary.	Up to \$100 per eligible employee; not to exceed \$5,000 in a calendar year.

