



**GEORGETOWN UNIVERSITY**  
**McCourt School of Public Policy**  
**Center for Retirement Initiatives**

# **State-Facilitated Retirement Savings Programs: A Snapshot of Program Design Features**

**State Brief 20-02**

**August 31, 2020**  
**UPDATE<sup>1</sup>**

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<sup>1</sup>This updates State Brief 20-02, dated July 15, 2020.

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# OVERVIEW

Since 2012, at least 45 states have acted to implement, study, or consider legislation to establish state-facilitated retirement savings programs. At least 20 states and cities have introduced legislation so far in 2020 to address the retirement savings gap among private sector workers. Additional detailed information about the progress of state legislative initiatives in 2020 and previous years, as well as the status of state-facilitated retirement savings program implementations, can be found at <https://cri.georgetown.edu/states>.

## 13 State-Facilitated Retirement Savings Programs

As of August 31, 2020, 12 states and one city<sup>2</sup> have enacted state-facilitated retirement savings programs for private sector workers. To date, these programs have adopted one or a combination (“Hybrid”) of four models:

Individual Retirement Account (Auto-IRA) <sup>3</sup>	Voluntary Payroll Deduction IRA	Voluntary Open Multiple Employer Plan (MEP)	Voluntary Marketplace	Voluntary Marketplace and Voluntary Payroll Deduction IRA (Hybrid)
California	New York	Massachusetts	Washington	New Mexico
Colorado		Vermont		
Connecticut				
Illinois				
Maryland				
New Jersey				
Oregon				
Seattle, Washington				

Most of these states are actively implementing their programs. Five states — California, Illinois, Massachusetts, Oregon, and Washington — are open to employers in 2020. Massachusetts and Oregon opened their programs in late 2017, Washington opened its retirement marketplace in March 2018, Illinois launched its program in November 2018, and California launched its program in July 2019. The other states are making progress but are in earlier stages of program implementation. Employers in all program states retain the option of acquiring a qualified plan through the private market.

<sup>2</sup>For simplicity, all programs are referred to as “state-facilitated,” even if it includes one or more cities.

<sup>3</sup>Auto-IRA programs generally require eligible employers to participate if they do not already offer a qualified retirement plan to their workers. Employers are required to either facilitate employee participation in the state-facilitated program or establish their own plans. Workers would be automatically enrolled and contribute through payroll deduction to an IRA unless they choose to opt out.

# Individual Retirement Accounts (Auto-IRAs)<sup>4</sup> (Listed by date of enactment)

Illinois

Oregon

Maryland

Connecticut

California

Seattle

New Jersey

Colorado

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<sup>4</sup> In response to a legal challenge, the United States District Court, Eastern District of California ruled on March 28, 2019, that the CalSavers Program is not preempted by federal ERISA law. The plaintiffs – the Howard Jarvis Taxpayers Association - filed an amended complaint on April 11, 2019 but the prior ruling was upheld by the court on March 10, 2020. On June 12, 2020, an appeal was filed by the plaintiffs to the U.S. Court of Appeals for the Ninth Circuit, and the case is now pending.

## Illinois Secure Choice

<b>Year Enacted</b>	2015, as amended in 2016, 2017, and 2019
<b>Employer Participation</b>	Mandatory for certain employers, with a two-year deferral for new businesses.
<b>Employers Affected</b>	Employers with 25 or more employees that have not offered a qualifying retirement plan in the last two years
<b>Administrative Entity</b>	The Illinois Secure Choice Savings Board, chaired by the Treasurer
<b>Structure of Accounts</b>	Roth IRA as the default, with a traditional IRA option as an alternative election
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	5%
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	Employers with fewer than 25 employees can voluntarily choose to participate in the program.
<b>Investment of Assets</b>	The program offers a suite of target date funds based upon the age of the enrollee as the default investment option and additional investment options, including a capital preservation fund, a growth fund, and a conservative fund. For the first 90 days after the initial contribution is made to an account after enrollment, the default is to hold the money in a money market fund, but participants can select a different fund option immediately. The money market fund is not a separate fund option but a temporary holding vehicle.
<b>Fees</b>	Total expenses cannot exceed 0.75% of the total trust balance.
<b>Implementation Timeline</b>	After pilot testing was completed in 2018, the program formally launched in November 2018 and completed a three-phase registration process, with the final deadline for the smallest employers (those with 25 to 99 employees) to register ending in November 2019. By law, all employees must be enrolled in the program by December 31, 2020.  Authorized to Partner with Other States: Yes

## OregonSaves

<b>Year Enacted</b>	2015, as amended in 2019
<b>Employer Participation</b>	Mandatory.
<b>Employers Affected</b>	Employers that do not currently offer qualified plans
<b>Administrative Entity</b>	The Oregon Retirement Savings Board, chaired by the Treasurer
<b>Structure of Accounts</b>	Roth IRA as the default, with a traditional IRA option as an alternative election
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	5% with auto-escalation of an additional annual 1% on January 1 of each year until a maximum of 10% is reached. Auto-escalation applies to participants who have been contributing for at least six months and contributing less than 10%. An employee may opt out of auto-escalation and set his or her own rate. The first annual auto-escalation took place on January 1, 2019.
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	Available to employers with no employees and employees of non-participating employers
<b>Investment of Assets</b>	The program offers a suite of target date funds based upon the age of the enrollee as the default investment option and additional investment options, including a capital preservation fund and a growth fund. By default, the first \$1,000 in contributions is invested in the OregonSaves Capital Preservation Fund, but participants can select a different fund option immediately.
<b>Fees</b>	The Board will charge each IRA a program administrative fee not to exceed 1.05% per annum.
<b>Implementation Timeline</b>	Two pilots were completed in 2017. The program is being implemented in six employer registration phases or “waves,” based on the number of employees. The program is in the process of registering its final wave of employers (those with four or fewer employees) who must register by January 15, 2021.  Authorized to Partner with Other States: Yes

## MarylandSaves

<b>Year Enacted</b>	2016, as amended in 2018
<b>Employer Participation</b>	Mandatory for all employers that pay employees through a payroll system or service, with a two-year deferral for new businesses.
<b>Employers Affected</b>	Employers that do not currently offer qualified plans
<b>Administrative Entity</b>	The Maryland Small Business Retirement Savings Board, chair elected by Board members
<b>Structure of Accounts</b>	One or more payroll deposit IRA arrangements
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	The Board will set default, minimum, and maximum employee contribution levels.
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	The Board may evaluate and establish the process by which a non-covered employer, an employee of a non-participating employer, or a self-employed individual may participate.
<b>Investment of Assets</b>	The Board will establish a range of investment options, including a default investment selection for employees' payroll deposit IRAs. The Board cannot offer options that could result in liability to the state or its taxpayers. When selecting investment options, the Board will consider methods to minimize the risk of significant investment losses at the time of a participating employee's retirement. The Board will consider investment options that minimize administrative expenses and may provide an investment option that provides an assured lifetime income.
<b>Fees</b>	Administrative expenses may not exceed 0.5% of assets under management in the program.
<b>Implementation Timeline</b>	The Board is finalizing its program implementation timeline, and currently anticipates a pilot by early 2021 and program launch by mid-2021.

## Connecticut Retirement Security Authority

<b>Year Enacted</b>	2016, as amended in 2019
<b>Employer Participation</b>	Mandatory.
<b>Employers Affected</b>	Qualified employers with five or more employees that do not currently offer a plan
<b>Administrative Entity</b>	The Connecticut Retirement Security Authority, chair appointed by the Governor
<b>Structure of Accounts</b>	Roth IRA
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	3%
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	A private employer with four employees or fewer may choose to make the program available.
<b>Investment of Assets</b>	Each participant's account will be invested in an age-appropriate target date fund or other investment vehicles selected by the Authority. Once the participant reaches normal retirement age, 50% of the participant's account will be invested in the lifetime income investment. Participants may elect to invest a higher percentage of account balances in the lifetime income investment. The Authority will designate a lifetime income investment option intended to provide participants with a source of retirement income for life.
<b>Fees</b>	After completion of the fourth calendar year after the program effective date, total annual fees associated with the program cannot exceed 0.75% of the total value of the program assets.
<b>Implementation Timeline</b>	The Authority is refining its program implementation timeline, with a possible program pilot by early 2021.

## CalSavers

<b>Year Enacted</b>	2016, as amended in 2017, 2018, 2019, and 2020
<b>Employer Participation</b>	Mandatory.
<b>Employers Affected</b>	Employers with five or more employees that do not already provide a qualified retirement plan and that satisfy requirements for a payroll deposit retirement savings arrangement, and employers of providers of in-home supportive services, if determined to be eligible
<b>Administrative Entity</b>	The California Secure Choice Retirement Savings Investment Board, chaired by the Treasurer
<b>Structure of Accounts</b>	Roth IRA as the default, with a traditional IRA as an alternative election
<b>Automatic Enrollment</b>	The Board will disseminate an employee information packet with information about the program and appropriate disclosures, including the mechanics of how to make contributions to the program. Employees must acknowledge that they have read all the disclosures and understand their content.
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	5% with auto-escalation of 1% per year to be capped at 8% of salary. An employee may opt out of auto-escalation and set his or her own rate.
<b>Employer Contribution</b>	Permitted if would not trigger ERISA
<b>Availability to Other Employers</b>	Employees of non-participating employers and the self-employed can participate.
<b>Investment of Assets</b>	The program offers a suite of target date funds based upon the age of the enrollee as the default investment option and additional investment options, including a capital preservation fund; a bond fund; a global equity fund; and an environmental, social, and governance (ESG) fund. By default, the first \$1,000 in contributions is invested in a capital preservation option, but participants can select a different fund option immediately.
<b>Fees</b>	On or after six years from the effective program date, expenditures from the Administrative Fund cannot exceed 1% of the total Program Fund annually.
<b>Implementation Timeline</b>	The pilot program began in November 2018, and official statewide employer registration began in July 2019. Employer registrations will be implemented in three phases, beginning with employers with 100 or more employees, followed by employers with 50 or more employees, and then employers with five or more employees. Each registration phase will last about a year. Registration for all eligible employers will be completed by June 2022. However, all employers are free to register at any time and do not have to wait for the registration deadlines.

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## Seattle Retirement Savings Plan

<b>Year Enacted</b>	2017
<b>Employer Participation</b>	Mandatory. There is a two-year deferral for new businesses.
<b>Employers Affected</b>	Employers that do not currently offer qualified plans or participate in a multiple employer plan (MEP)
<b>Administrative Entity</b>	The Seattle Retirement Saving Plan Board of Administration, chair appointed by the Mayor
<b>Structure of Accounts</b>	One or more payroll deposit IRA arrangements
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	The Board can set default, minimum, and maximum rates. The plan must offer default escalation.
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	The Board can establish participation rules for self-employed individuals or employees who are not eligible to participate in an employer's qualified retirement plan.
<b>Investment of Assets</b>	The Board will establish several investment funds, each pursuing an investment strategy and policy established by the Board. The Board will establish at least three "core" investment funds, diversified to minimize the risk of large losses, and may establish one or more "non-core" investment funds. The Board may, at any time, add, replace, or remove any investment fund. Investment funds may include mutual funds, index funds, collective funds, separately managed accounts, exchange-traded funds, or other pooled investment vehicles that are generally available in the marketplace.
<b>Fees</b>	Not specified. The plan must keep administration fees low, but sufficient to ensure that the plan is sustainable.
<b>Implementation Timeline</b>	Contributions may begin no earlier than January 1, 2019, and no later than January 1, 2021. The Board decided in December 2018 that it will not implement its program pending possible action by the Washington State Legislature on proposals to establish a statewide Secure Choice auto-IRA program.

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## New Jersey Secure Choice Retirement Savings Program

<b>Year Enacted</b>	2019
<b>Employer Participation</b>	Mandatory. There is a two-year deferral for new businesses.
<b>Employers Affected</b>	Employers with 25 or more employees that have not offered a qualified retirement plan.
<b>Administrative Entity</b>	The New Jersey Secure Choice Savings Board, chaired by the Treasurer
<b>Structure of Accounts</b>	One or more payroll deposit IRA arrangements
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	3%
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	Employers with fewer than 25 employees and/or those that have been in business for less than two years may provide payroll deposit retirement savings arrangements for each employee who elects to participate in the program.
<b>Investment of Assets</b>	The Board may establish any or all of the following investment options: a capital preservation fund, into which the Board may provide that the first \$1,000 in contributions be deposited and also may provide for an account revocation period during which an enrollee may withdraw the deposited amounts without penalty; a life-cycle fund; or any other investment option deemed appropriate by the Board. The Board shall designate by rule or regulation one of the investment options as the default investment option for enrollees who fail to elect an investment option and may, from time to time, amend, modify, or repeal such investment options as it deems necessary or proper, and may subsequently select, by rule or regulation, a different investment option as the default investment option.
<b>Fees</b>	During the first three years after the establishment of the program, annual administrative fees may not exceed 0.75% of the Program Fund. After that time, the annual administrative fees shall not exceed 0.6% of the Program Fund.
<b>Implementation Timeline</b>	To be determined. Board appointments are currently in progress. By law, enrollment of employees shall begin within 24 months after the effective date of the act (which was immediate), and the date can be extended by an additional 12 months. The Board shall implement the program in two phases based on the size of the employers participating, with implementation for larger employers first. No later than nine months after the Board opens the program for enrollment, each covered employer must establish a payroll deposit retirement savings arrangement to allow each employee to participate in the program.

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## Colorado Secure Savings Program

<b>Year Enacted</b>	2020
<b>Employer Participation</b>	Mandatory.
<b>Employers Affected</b>	Employers with 5 or more employees that have not offered a qualified retirement plan. Grants, in an amount not to exceed \$300 per employer, may be available to employers with between 5 and 25 employees to support participation in the program.
<b>Administrative Entity</b>	The Colorado Secure Savings Program Board in the Office of the State Treasurer, chaired by the Treasurer
<b>Structure of Accounts</b>	One or more payroll deposit IRA arrangements
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	5%
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	Employers not required to participate in the program will be allowed to participate on a voluntary basis. Individual who qualify for an IRA also will be allowed to voluntarily participate.
<b>Investment of Assets</b>	Not specified. The Board is authorized to make or enter into contracts with up to three investment managers, private financial institutions, and other service providers to invest money and administer the program.
<b>Fees</b>	For the first five years of program operation, total annual fees may not exceed 1% of total value of program assets. In the sixth year and subsequent years, the total annual fees may not exceed .75% of the total value of program assets.
<b>Implementation Timeline</b>	The Governor will make appointments to the Board for terms beginning September 15, 2020. Once the Board is in place, the program implementation planning process will begin.  Authorized to Partner with Other States: YES

# Voluntary Payroll Deduction IRA<sup>5</sup>

## New York

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<sup>5</sup>New York's voluntary payroll deduction program is assumed to be designed to be covered under the 1975 DOL safe harbor (See 29 CFR 2510.3-2(d); 40 FR 34526 (August 15, 1975)), which lays out the conditions under which payroll deduction IRAs would be exempt from ERISA.

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## New York State Secure Choice Savings Program

<b>Year Enacted</b>	2018
<b>ERISA Applicability</b>	No
<b>Employer Participation</b>	Voluntary
<b>Employers Affected</b>	Employers that have not offered a qualified retirement plan in the preceding two years
<b>Administrative Entity</b>	New York State Secure Choice Savings Program Board
<b>Structure of Accounts</b>	Roth IRA
<b>Automatic Enrollment</b>	The Board may consider use of automatic enrollment as allowed under federal law.
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	3%
<b>Employer Contribution</b>	Not permitted
<b>Availability to Other Employers</b>	Not specified
<b>Investment of Assets</b>	The Board shall establish or authorize a default investment option for enrollees who fail to elect an investment option. The Board may establish or authorize any additional investment decisions that the Board deems appropriate, including but not limited to: a conservation principal protection fund; a growth fund; a secure return fund whose primary objective is the preservation of the safety of principal and the provision of a stable and low-risk rate of return; an annuity fund; a growth and income fund; or a life cycle fund with a target date based upon factors determined by the Board.
<b>Fees</b>	The Board shall allocate administrative fees to individual retirement accounts in the program on a pro rata basis.
<b>Implementation Timeline</b>	To be determined. By law, the program shall be implemented, and enrollment of employees shall begin, within 24 months after the effective date (which was immediate), and the Board may delay implementation by an additional 12 months.

## Open Multiple Employer Plans (MEPs)<sup>6</sup> (Listed by date of enactment)

Massachusetts  
Vermont

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<sup>6</sup>On November 18, 2015, the U.S. Department of Labor issued a final Interpretive Bulletin Relating to State Savings Programs that Sponsor or Facilitate Plans Covered by the Employee Retirement Income Security Act (ERISA) of 1974. The Bulletin outlines those state-facilitated retirement savings programs that would include ERISA-covered retirement plans. These options include a marketplace, prototype plans, and state-facilitated “open” multiple employer plans (MEPs). The following state plans are covered by the Interpretive Bulletin.

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## Massachusetts Defined Contribution CORE Plan (“CORE Plan”)

<b>Year Enacted</b>	2012
<b>ERISA Applicability</b>	Yes
<b>Employer Participation</b>	Voluntary
<b>Employers Affected</b>	Nonprofits with 20 or fewer employees
<b>Administrative Entity</b>	A not-for-profit defined contribution committee in the Office of the State Treasurer and Receiver General
<b>Structure of Accounts</b>	401(k) plan
<b>Automatic Enrollment</b>	Yes
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	6% with an annual auto escalation of 1% or 2%, up to 12%
<b>Employer Contribution</b>	Permitted, but not required. If a participating employer chooses to use the safe harbor employer-matching contribution option, 100% of the first 3% of the employee’s contribution will be matched and 50% of the next 2% in employee contribution will be matched. If a participating employer selects the safe harbor non-elective contribution option, the employer agrees to make a flat rate contribution to the account of each eligible employee in an amount no less than 3% regardless of employee contributions.
<b>Availability to Other Employers</b>	No
<b>Investment of Assets</b>	The Plan offers 12 CORE default target date funds based on expected retirement age and four objective base funds: CORE Growth Fund, CORE Income Fund, CORE Inflation Fund, and CORE Capital Preservation Fund. For additional fees, a participant can choose to have the account professionally managed with a portfolio that would be developed “using one or more investments that comprise the CORE Plan investment lineup and may also use additional investments not otherwise available to <a href="#">CORE Plan</a> participants.”
<b>Fees</b>	For the <a href="#">participant</a> , there is a \$65 annual fee, deducted automatically from the participant account, and other administrative fees depending on the “elective Plan features used by a participant. Each investment option has an administrative, advisory and investment management fee that varies by investment option” and “additional fees, including administrative and other service fees, may be assessed over time.” For the participating nonprofit, there is a one time installation fee of \$2,500, a \$200 plan administrative fee charged annually beginning in the second year, and annual compliance fee of \$150 for employer contribution election and \$750 for deferral-only election.
<b>Implementation Timeline</b>	The program launched in October 2017 and is open for enrollment.

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## Vermont Green Mountain Secure Retirement Plan

<b>Year Enacted</b>	2017, as amended in 2019
<b>ERISA Applicability</b>	Yes
<b>Employer Participation</b>	Voluntary. The Board may study and make recommendations on methods to increase participation if, after three years, significant numbers of residents remain who are not covered by a retirement plan.
<b>Employers Affected</b>	Employers with 50 employees or fewer that do not currently offer a plan
<b>Administrative Entity</b>	Green Mountain Secure Retirement Board, chaired by the Treasurer
<b>Structure of Accounts</b>	401(k) plan
<b>Automatic Enrollment</b>	Permissible. Auto-enrollment of employees will occur once an employer opts to join the MEP.
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	Not specified
<b>Employer Contribution</b>	Permitted
<b>Availability to Other Employers</b>	The self-employed are eligible to participate. No earlier than one year after implementation, the Board intends to provide options via a clearinghouse/marketplace to individuals who are not eligible to participate, or choose not to participate, in the MEP, or whose employers opted not to join the MEP.
<b>Investment of Assets</b>	Not specified
<b>Fees</b>	Not specified
<b>Implementation Timeline</b>	The Board is currently in the plan development phase until the end of 2020, and then it will move to program launch in early 2021.

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## Marketplace<sup>7</sup>

### Washington

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<sup>7</sup>On November 18, 2015, the U.S. Department of Labor issued a final Interpretive Bulletin Relating to State Savings Programs that Sponsor or Facilitate Plans Covered by the Employee Retirement Income Security Act (ERISA) of 1974. The Bulletin outlines those state-facilitated retirement savings programs that would include ERISA-covered retirement plans. These options include a marketplace, prototype plans, and state-facilitated “open” multiple employer plans (MEPs). The following state plan is covered by the Interpretive Bulletin.

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## Washington Small Business Retirement Marketplace

<b>Year Enacted</b>	2015, as amended in 2017
<b>ERISA Applicability</b>	ERISA cannot apply to the state to operate the Marketplace, but ERISA plans are allowed in the marketplace with ERISA requirements applying to participating employers.
<b>Employer Participation</b>	Voluntary
<b>Employers Affected</b>	Fewer than 100 employees
<b>Administrative Entity</b>	State Department of Commerce
<b>Structure of Accounts</b>	SIMPLE, Roth and traditional IRAs, and ERISA plans (e.g., 401(k)s) can be included. May also offer “life insurance plans designed for retirement purposes”
<b>Automatic Enrollment</b>	No state requirement, but employers may auto-enroll as IRS rules allow
<b>Employee Opt-out</b>	Voluntary employee participation
<b>Default Contribution Rate</b>	Not specified
<b>Employer Contribution</b>	Permitted if an ERISA plan option
<b>Availability to Other Employers</b>	Self-employed people and sole proprietors are eligible to participate in the marketplace.
<b>Investment of Assets</b>	The marketplace currently offers five types of 401(k) plans from Saturna Trust Company and Roth and traditional IRA options from Finhabits and Aspire Capital Advisors. Others may be added in the future.
<b>Fees</b>	No more than 1% in total annual fees to investors. Participating employers may not be charged an administrative fee. Financial services firms may charge enrollees a de minimis fee for new and/or low-balance accounts in amounts negotiated and agreed upon by the Department and financial services firms. No later than September 2020, the Department will evaluate the ongoing need to allow de minimis fees to be charged to enrollees. Fees associated with products offered in the Marketplace can be found on the <a href="#">Retirement Marketplace</a> website.
<b>Implementation Timeline</b>	The Marketplace opened in March 2018.

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# Multi-tiered (or “Hybrid”) Option (Voluntary Payroll Deduction IRA<sup>8</sup> and Marketplace<sup>9</sup>)

## New Mexico

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<sup>8</sup> New Mexico’s voluntary payroll deduction program is assumed to be designed to be covered under the 1975 DOL safe harbor (See 29 CFR 2510.3-2(d); 40 FR 34526 (August 15, 1975)), which lays out the conditions under which payroll deduction IRAs would be exempt from ERISA.

<sup>9</sup> On November 18, 2015, the U.S. Department of Labor issued a final [Interpretive Bulletin](#) Relating to State Savings Programs that Sponsor or Facilitate Plans Covered by the Employee Retirement Income Security Act (ERISA) of 1974. The Bulletin outlines those state-facilitated retirement savings programs that would include ERISA-covered retirement plans. These options include a marketplace, prototype plans, and state-facilitated “open” multiple employer plans (MEPs). New Mexico’s retirement plan marketplace is covered by the Interpretive Bulletin.

## New Mexico Work and Save Program

<b>Year Enacted</b>	2020
<b>ERISA Applicability</b>	<u>Voluntary IRA</u> : The Board shall avoid preemption of the program by federal law. The Board shall not impose any duties on employers pursuant to ERISA (see footnote 8). <u>Marketplace</u> : ERISA cannot apply to the state for operating the marketplace, but ERISA plans are allowed in the marketplace and normal ERISA requirements would apply to participating employers (see footnote 9).
<b>Employer Participation</b>	Voluntary
<b>Employers Affected</b>	Employers with their primary place of business physically located in New Mexico
<b>Administrative Entity</b>	New Mexico Work and Save Board
<b>Structure of Accounts</b>	<u>Voluntary IRA</u> : Roth IRA <u>Marketplace</u> : Options may include SIMPLE IRA; payroll deduction IRA; multiple employer plans (if allowed under federal law); plans described in section 401(a) or 403(b) of the Internal Revenue Code
<b>Automatic Enrollment</b>	<u>Voluntary IRA</u> : An employer participating in the Work and Save program may automatically enroll its employees, if permitted by federal law <u>Marketplace</u> : An employer that offers a plan through the marketplace may use automatic enrollment.
<b>Employee Opt-out</b>	Yes
<b>Default Contribution Rate</b>	<u>Voluntary IRA</u> : To be determined by the Board; <u>Marketplace</u> : Not specified
<b>Employer Contribution</b>	<u>Voluntary IRA</u> : Not permitted; <u>Marketplace</u> : Permitted if an ERISA plan option
<b>Availability to Other Employers</b>	Not specified
<b>Investment of Assets</b>	<u>Voluntary IRA</u> : By default, contributions will be invested in a target date fund investment. A principal protection fund may be established for initial savings up to an amount established by the Board. <u>Marketplace</u> : The Marketplace shall allow, but shall not require, the availability within approved plans of distribution options that provide income in retirement, including systematic withdrawal programs, guaranteed lifetime withdrawal benefits and annuities.
<b>Fees</b>	<u>Voluntary IRA</u> : The program shall keep total fees and expenses below 1% of the funds invested. <u>Marketplace</u> : The Board shall establish administrative fees for financial service firms that participate in the marketplace. The fees shall be sufficient to cover the actual cost of maintaining the marketplace.
<b>Implementation Timeline</b>	The New Mexico Retirement Plan Marketplace shall be implemented no later than July 1, 2021. New Mexico Work and Save shall be implemented so that covered employees may begin contributing no later than January 1, 2022. Authorized to Partner with Other States: Yes

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