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

State Brief 21-02

October 31, 2021
UPDATE[1]

[1]This updates State Brief 21-01, dated May 15, 2021.

OVERVIEW

Since 2012, 46 states have acted to implement, study, or introduce legislation to establish state-facilitated retirement savings programs. At least 22 states and cities have introduced legislation in 2021 to address the retirement savings gap among private sector workers. Additional detailed information about the progress of state legislative initiatives in 2021 and previous years, as well as the status of state-facilitated retirement savings program implementations, can be found at https://cri.georgetown.edu/states.

16 State-Facilitated Retirement Savings Programs (14 states and 2 cities)

As of October 31, 2021, 14 states and 2 cities[2] have enacted state-facilitated retirement savings programs for private sector workers. To date, these programs have adopted one or a combination of four models. The predominant model is the auto-IRA program adopted by 10 states and 2 cities.

Individual Retirement Account (Auto-IRA)[3]		Voluntary Open Multiple Employer Plan (MEP)	Voluntary Payroll Deduction IRA	Voluntary Marketplace
California	**New Jersey**	**Massachusetts**	**New Mexico**	**New Mexico**
Colorado	**New York City**	**Vermont**		**Washington**
Connecticut	**New York**[4]			
Illinois	**Oregon**			
Maine	**Seattle, WA**[5]			
Maryland	**Virginia**			

Most of these states are actively implementing their programs. Six states — California, Connecticut, Illinois, Massachusetts, Oregon, and Washington — are open to employers in 2021. Massachusetts and Oregon opened their programs in late 2017, Washington opened its retirement marketplace in March 2018, Illinois launched its program in November 2018, California launched its program in July 2019, and

[2]For simplicity, all programs are referred to as "state-facilitated," even if referring to one or more cities.
[3]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. For more information about state program models, see Morse and Antonelli (2021), **State-Facilitated Retirement Savings Programs: A Policymaker's Guide to ERISA and the Tax Code for IRAs and 401(k)s.** Policy Report 21-02, March 2021.
[4]On June 7, 2021, S 5395A passed both chambers of the New York State Legislature. This bill amends Chapter 55, which was originally signed into law in 2018, establishing the New York State Secure Choice Savings Program. The amendment changes the program from a voluntary payroll deduction IRA to an auto-IRA. The bill was signed on October 21, 2021. With the enactment of this program change, the New York City program specifies that it would become part of the state program (see Appendix for information about the New York City program).
[5]The Seattle, Washington, program is not anticipated to be implemented; it is pending state action to establish such a program.

Connecticut launched its employer pilot at the end of October 2021. Auto-IRA programs in Colorado and Maryland are expected to open to employers in 2022. Other states, such as Maine, New Mexico, and Virginia, are making progress but are in earlier planning stages of program implementation. Employers in all program states retain the option of acquiring a qualified retirement plan through the private market, and employees can always choose to opt out of program participation or change their contribution rate.

Individual Retirement Accounts (Auto-IRAs)[6]

(States listed by date of enactment; see Appendix for city programs)

Illinois
Oregon
Maryland
Connecticut
California
New Jersey
Colorado
Virginia
Maine
New York

[6]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 (HJTA) — 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, the plaintiffs filed an appeal to the U.S. Court of Appeals for the Ninth Circuit, and that case was upheld on appeal on May 6, 2021. The HJTA filed a request on May 20, 2021, for the case to be heard *en banc* by the Ninth Circuit. On June 15, 2021, the Ninth Circuit denied the HJTA's request for rehearing *en banc* and no judge requested a vote for consideration. The HJTA subsequently petitioned the U.S. Supreme Court on October 12, 2021, to review the Ninth Circuit Court of Appeals' judgment and the request is pending.

Illinois Secure Choice

Year Enacted	2015, as amended in 2016, 2017, 2019, and 2021
Employer Participation	Mandatory for certain employers, with a two-year deferral for new businesses
Employers Affected	Employers with 5 or more employees that have not offered a qualifying retirement plan in the last two years
Administrative Entity	The Illinois Secure Choice Savings Board, chaired by the Treasurer
Structure of Accounts	Roth IRA as the default, with a traditional IRA option as an alternative election
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with annual auto-escalation of 1% permitted to a maximum of 10% of wages
Employer Contribution	Not permitted
Availability to Other Employers	Employers with fewer than 5 employees can voluntarily choose to participate in the program.
Investment of Assets	The program offers a suite of 11 target date funds (TDFs) 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 (a temporary fund only), but participants can select a different fund option immediately. If no investment option is selected, the funds are put into the age-appropriate TDF.
Fees	Total expenses cannot exceed 0.75% of the total trust balance (currently .05% state fee, .61% program administration fee, and .09% investment fee).[7]
Implementation Timeline	After pilot testing was completed in 2018, the program formally launched with Wave 1 with employers with more than 500 employees required to register by November 2018; Wave 2 with employers with 100–499 employees required to register by July 2019; and Wave 3 with employers with 25–99 employees required to register by November 2019. The program opened in March 2020 for self-enrollment, allowing self-employed, contract, and seasonal workers the opportunity to enroll. In 2021, with the lowering of the threshold from 25 to 5 employees, there are now two additional employer registration waves to be implemented. Employers with 16–24 employees will be required to register by November 1, 2022, and employers with 5–15 employees will be required to register by November 1, 2023. However, employers are free to register at any time before the deadline.
Legislative Authority to Partner With Other States	Yes

[7]The program administration and investment fees can vary slightly higher or lower, as long as fees remain within the overall required statutory limits.

OregonSaves

Year Enacted	2015, as amended in 2019
Employer Participation	Mandatory
Employers Affected	Employers that do not currently offer qualified plans
Administrative Entity	The Oregon Retirement Savings Board, chaired by the Treasurer
Structure of Accounts	Roth IRA as the default, with a traditional IRA option as an alternative election
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with auto-escalation of 1% per year to a maximum of 10%. Auto-escalation applies to participants who have been contributing for at least six months. The first auto-escalation took place on January 1, 2019.
Employer Contribution	Not permitted
Availability to Other Employers	Available to employers with no employees and employees of non-participating employers
Investment of Assets	The program offers a suite of 12 TDFs 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. The program has approved changing its policy from holding the first $1,000 in the capital preservation fund to holding funds only for the first 90 days in the capital preservation fund and then defaulting the funds into the age-appropriate TDF unless another investment option is selected.
Fees	The Board will charge each IRA a program administrative fee not to exceed 1.05% per annum (per rulemaking) with the current fees as follows: .15% for state administration; .75% for program administration; and .09% for investment management. Effective in the fall 2021, the program is changing its fee structure to a combination of fixed fee and basis points. The approved new fee structure is: $4 per saver for state program administration; $14 per saver and 15 basis points on assets for recordkeeping; and 10 basis points for investment management.[8]
Implementation Timeline	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 beginning its final employer wave (those with 4 or fewer employees) and the registration deadline for these employers will be "late" 2022. However, employers are free to register at any time before the deadline.
Legislative Authority to Partner With Other States	Yes

[8]The program administration and investment fees can vary slightly higher or lower, as long as fees remain within the overall required statutory limits.

Maryland$aves

Year Enacted	2016, as amended in 2018
Employer Participation	Mandatory for all employers that pay employees through a payroll system or service, with a two-year deferral for new businesses.
Employers Affected	Employers that do not currently offer qualified plans
Administrative Entity	The Maryland Small Business Retirement Savings Board (non-profit corporation)[9], chair elected by Board members
Structure of Accounts	Roth IRA (also may consider adding a traditional IRA option)
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with annual auto-escalation of 1% up to a maximum of 10%
Employer Contribution	Not permitted
Availability to Other Employers	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.
Investment of Assets	The Board has chosen a suite of TDFs as the default investment option, and is considering offering a capital preservation fund, income fund and growth fund. The program also is proposing to include retirement income options that may include a managed payout option that would be available beginning at age 67 and an option to use savings to delay drawing on Social Security ("bridge" option). The program will work with its new program administrator and investment managers to make final investment decisions.
Fees	Administrative expenses may not exceed 0.5% of assets under management in the program.
Implementation Timeline	The Board is finalizing its selection of a program administrator and investment manager. Assuming these contract decisions are finalized in the fall 2021, the program could launch its pilot and open the program in calendar year 2022.

[9] In 2017, the Board received final approval from the Maryland Attorney General to implement the program through the creation of a non-profit corporation. Although the non-profit is subject to state oversight, it is not subject to state procurement, hiring, and other state administrative procedures.

Connecticut Retirement Security Authority (MyCTSavings)

Year Enacted	2016, as amended in 2019
Employer Participation	Mandatory
Employers Affected	Employers with five or more employees that do not currently offer a qualified plan
Administrative Entity	The Connecticut Retirement Security Authority (a quasi-public agency), chair appointed by the Governor
Structure of Accounts	Roth IRA
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	3%
Employer Contribution	Not permitted
Availability to Other Employers	The Authority will decide whether to open the program to other employers.
Investment of Assets	By law, the program will default each participant's account into an age-appropriate TDF or the saver can select from among 7 other strategic investment portfolios (each is a mix of funds with different risk profiles). According to current law, 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.
Fees	The Authority has approved a hybrid structure, with a program management fee of 0.20%, plus a flat annual account fee of $24 per year. By law, 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.
Implementation Timeline	The employer pilot program began the week of October 25, 2021, with employers beginning to register the first week of November. The first wave of employers is expected to begin to register in early 2022.

CalSavers

Year Enacted	2016, as amended in 2017, 2018, 2019, and 2020
Employer Participation	Mandatory
Employers Affected	Employers with 5 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
Administrative Entity	The CalSavers Retirement Savings Board, chaired by the Treasurer
Structure of Accounts	Roth IRA as the default, with a traditional IRA as an alternative election
Automatic Enrollment	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.
Employee Opt-out	Yes
Default Contribution Rate	5% with auto-escalation of 1% per year to a maximum of 8% of salary. The first auto-escalation took place on January 1, 2020, with pilot employers.
Employer Contribution	Permitted if would not trigger ERISA
Availability to Other Employers	Employees of non-participating employers and the self-employed can participate.
Investment of Assets	The program offers a suite of 12 TDFs 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. For the first 30 days, funds are held in the capital preservation fund and then moved to the default age-appropriate TDF unless another investment option is selected.
Fees	On or after six years from the effective program date, expenditures from the Administrative Fund cannot exceed 1% of the total Program Fund annually (currently .05% state fee, .75% program administration fee, and .09% investment manager fee).[10]
Implementation Timeline	The pilot program began in November 2018, and official statewide employer registration began on July 1, 2019. Employer registrations are being implemented in three phases, beginning with employers with 100 or more employees required to register by September 30, 2020; employers with 50 or more employees required to register by June 30, 2021; and employers with 5 or more employees required to register by June 30, 2022. However, employers are free to register at any time before the deadline.

[10] The program administration and investment fees can vary slightly higher or lower, as long as fees remain within the overall required statutory limits.

New Jersey Secure Choice Retirement Savings Program

Year Enacted	2019
Employer Participation	Mandatory
Employers Affected	Employers with 25 or more employees that have been in business at least two years and have not offered a qualified retirement plan
Administrative Entity	The New Jersey Secure Choice Savings Board, chaired by the Treasurer
Structure of Accounts	Roth or traditional IRA authorized
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	3%
Employer Contribution	Not permitted
Availability to Other Employers	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 chooses to participate in the program. The board is also authorized to consider the voluntary enrollment of individuals in the program.
Investment of Assets	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. If the Board has not selected a default investment option, then an enrollee who fails to select an investment option shall be placed in the life cycle fund investment option.
Fees	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.
Implementation Timeline	Board appointments are pending and some funding for implementation is now available. 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.

Colorado Secure Savings Program

Year Enacted	2020
Employer Participation	Mandatory
Employers Affected	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
Administrative Entity	The Colorado Secure Savings Program Board in the Office of the State Treasurer, chaired by the Treasurer
Structure of Accounts	Roth IRA as the default, with a traditional IRA as an alternative election (proposal pending finalization)
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with annual auto escalation of 1% up to a maximum of 8% (proposal pending finalization)
Employer Contribution	Not permitted
Availability to Other Employers	Employers not required to participate in the program will be allowed to participate on a voluntary basis. Individuals who qualify for an IRA also will be allowed to participate voluntarily.
Investment of Assets	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. The Board is currently considering the following investment options: a TDF series; capital preservation fund; core fixed income fund; global equity fund; and balanced ESG fund (these investment options are proposed only and pending finalization).
Fees	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.
Implementation Timeline	In July 2021, the Board hired its program consultant and its investment consultant. The Board has developed its implementation timeline. The projected timeline includes issuing Requests for Proposals (RFPs) for a program administrator and investment manager by late 2021 or early 2022; awarding the contracts; continuing program implementation; and launching an employer pilot in the fourth quarter of 2022, with anticipated program launch by the first quarter of 2023. The program is currently anticipated to be rolled out in three waves: Wave 1, 100+ employees; Wave 2, 50+ employees; Wave 3, 5+ employees (waves and timing are proposals pending finalization).
Legislative Authority to Partner With Other States	Yes[11]

[11] The Colorado Secure Savings Program has executed a joint Memorandum of Cooperation (MoC) with the New Mexico Work and $ave Program to begin to explore the possibility of forming a partnership between the two states for purposes of implementing a retirement savings program.

Virginia IRA Savings Program

Year Enacted	2021
Employer Participation	Mandatory
Employers Affected	Employers that have employed 25 or more employees who worked at least 30 hours a week in the preceding calendar year and that have been in business for at least two years that do not already provide a qualified employer-sponsored retirement plan; the Board can explore and, as appropriate, establish incentives to encourage participation in the program by eligible employers and eligible employees, including a grant program to provide incentives for compliance with the program and to defray the costs of small businesses
Administrative Entity	The Governing Board of the Virginia College Savings Plan, with a Program Advisory Committee appointed by the Board to assist with program implementation
Structure of Accounts	Roth IRA or traditional IRA (Board to determine which shall be the default)
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	To be determined by the Board (both default contribution and default auto-escalation)
Employer Contribution	Not permitted
Availability to Other Employers	Employers not required to participate in the program will be allowed to participate on a voluntary basis. Any eligible employee whose employer does not facilitate participation in the program, or any self-employed individual, may participate, as long as the individual has Virginia taxable income.
Investment of Assets	The Board is to select one or more investment funds in which program participants may elect to invest their savings and a default investment fund for participants who do not make an affirmative investment election.
Fees	To be determined by the Board
Implementation Timeline	The program shall be established, and enrollment of eligible employers shall begin on July 1, 2023, or as soon thereafter as practicable. The Board shall establish an implementation timeline under which eligible employers shall enroll their eligible employees in the program.
Legislative Authority to Partner With Other States	Yes

Maine Retirement Savings Program

Year Enacted	2021
Employer Participation	Mandatory
Employers Affected	Employers with 5 or more employees that have not offered to its employees, effective in form or operation at any time within the current calendar year or two preceding calendar years, a specified tax-favored retirement plan
Administrative Entity	Maine Retirement Savings Board (by law to beginning meeting monthly no later than May 2022)
Structure of Accounts	Roth IRA, with the option to add a traditional IRA
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with authority to use auto-escalation at 1% per year up to a maximum of 8%
Employer Contribution	Not permitted
Availability to Other Employers	A covered employer with fewer than 5 employees is not required to offer the program to its covered employees, but may offer the program to its employees at the option of the employer and in accordance with rules established by the Board. The program also must make provision for participation in the program by individuals who are not employees, such as self-employed individuals and independent contractors.
Investment of Assets	Employers provide for direct deposit of contributions into investments under the program, including, but not limited to, a default investment such as a series of TDFs and a limited number of investment alternatives, including a principal preservation option determined by the Board. In addition, the Board may provide that each participant's initial contributions, up to a specified dollar amount or for a specified period of time, are required to be invested in a principal preservation investment or, at the Board's discretion, must be defaulted into such an investment unless the participant affirmatively opts for a different investment for those contributions.
Fees	The Board will seek to keep fees, costs, and expenses of the program as low as practicable, except that any administrative fee imposed on a covered employee for participating in the program may not exceed a reasonable amount relative to fees charged by similar established programs in other states. The fee may be an asset-based or investment return fee, flat fee, or hybrid of the permissible fee structures.
Implementation Timeline	Employer enrollment waves: beginning April 1, 2023, employers with 25 or employees; beginning October 1, 2023, employers with 15 to 24 employees; beginning April 1, 2024, employers with 5 to 14 employees. Any covered employer may voluntarily offer the program to its covered employees on or after April 1, 2023.
Legislative Authority to Partner With Other States	Yes

New York State Secure Choice Savings Program[12]

Year Enacted	2021 (amending 2018 voluntary payroll deduction IRA)
Employer Participation	Mandatory
Employers Affected	Employers who at all times during the previous calendar year employed at least 10 employees in the state and have not offered a qualified plan in the past two years; employers already offering a plan shall not terminate such plan for purposes of participating in the program
Administrative Entity	New York State Secure Choice Savings Program Board
Structure of Accounts	Roth IRA
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	3%
Employer Contribution	Not permitted
Availability to Other Employers	Not specified
Investment of Assets	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.
Fees	The Board shall keep its annual administrative expenses as low as possible and allocate administrative fees to individual retirement accounts in the program on a pro rata basis.
Implementation Timeline	The program shall be implemented, and enrollment of employees shall begin, within 24 months after the effective date, and the Board may delay implementation by an additional 12 months.[13]

[12]On October 21, 2021, the Governor signed S 5395A. This bill amends Chapter 55, which was originally signed into law in 2018 and established the New York State Secure Choice Savings Program. The amendment changes the program from a voluntary payroll deduction IRA to an auto-IRA.
[13]The original implementation timeframe was not changed in the 2021 amendment to the program. However, it would appear the program implementation timeline can be extended with notification to the Governor and Legislature.

Open Multiple Employer Plans (MEPs)[14]

(listed by date of enactment)

Massachusetts
Vermont

[14]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.

Massachusetts Defined Contribution CORE Plan (CORE Plan)

Year Enacted	2012
ERISA Applicability	Yes
Employer Participation	Voluntary
Employers Affected	Nonprofits with 20 or fewer employees
Administrative Entity	A not-for-profit defined contribution committee in the Office of the State Treasurer and Receiver General
Structure of Accounts	MEP – Defined Contribution 401(k) plan
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	6% with an annual auto escalation of 1% or 2%, up to 12%
Employer Contribution	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.
Availability to Other Employers	No
Investment of Assets	The Plan offers 12 CORE default TDFs based on expected retirement age and four objective base funds: the 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 CORE Plan participants."
Fees	For the **participant**, 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 an annual compliance fee of $150 for employer contribution election and $750 for deferral-only election.
Implementation Timeline	The program launched in October 2017 and is open for enrollment.

Vermont Green Mountain Secure Retirement Plan

Year Enacted	2017, as amended in 2019
ERISA Applicability	Yes
Employer Participation	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.
Employers Affected	Employers with 50 employees or fewer that do not currently offer a plan
Administrative Entity	Green Mountain Secure Retirement Board, chaired by the Treasurer
Structure of Accounts	401(k) plan
Automatic Enrollment	Permissible. Auto-enrollment of employees will occur once an employer opts to join the MEP.
Employee Opt-out	Yes
Default Contribution Rate	Not specified
Employer Contribution	Permitted
Availability to Other Employers	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.
Investment of Assets	Not specified
Fees	Not specified
Implementation Timeline	The Board anticipates finalizing its program administrator contract in late 2021 or early 2022, with a possible pilot and program launch in calendar year 2022.

Marketplace[15]

Washington

[15]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.

Washington Small Business Retirement Marketplace

Year Enacted	2015, as amended in 2017
ERISA Applicability	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.
Employer Participation	Voluntary
Employers Affected	Fewer than 100 employees
Administrative Entity	State Department of Commerce
Structure of Accounts	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"
Automatic Enrollment	No state requirement, but employers may auto-enroll as IRS rules allow
Employee Opt-out	Voluntary employee participation
Default Contribution Rate	Not specified
Employer Contribution	Permitted if an ERISA plan option
Availability to Other Employers	Self-employed people and sole proprietors are eligible to participate in the marketplace.
Investment of Assets	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, for a total of nine plans offered. Others may be added in the future.
Fees	Plans cannot charge fees greater than 1% of the account balance and cannot charge an administrative fee to an employer.[16] 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. Fees associated with products offered in the Marketplace can be found on the **Retirement Marketplace** website.
Implementation Timeline	The Marketplace opened in March 2018.

[16]The Washington State Department of Commerce's 2020 Biennial Report to the Legislature makes a recommendation to change the fee structure because "[c]urrent legislation does not allow providers to charge employers fees, which in turn prevents them from covering the cost of enrollment and account maintenance. The ability for a provider to charge an employer a flat fee or a cost per participating employee fee would very likely make the Marketplace more appealing to providers and increase plan availability. Fee structure should continue to be reasonable so as not to discourage businesses from enrolling into a savings plan." Other recommendation for program reform include: 1) reduce provider requirements to offer multiple plans (many firms do not offer both the target date funds and balanced fund options required); 2) expand the program to businesses of all sizes; and 3) increase funding for marketing.

Multi-tiered (or Hybrid) Option
(Voluntary Payroll Deduction IRA[17] and Marketplace[18])

New Mexico

[17]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.
[18]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 $ave Program

Year Enacted	2020
ERISA Applicability	Voluntary IRA: The Board shall avoid preemption of the program by federal law. The Board shall not impose any duties on employers pursuant to ERISA. Marketplace: 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.
Employer Participation	Voluntary
Employers Affected	Employers with their primary place of business physically located in New Mexico
Administrative Entity	New Mexico Work and $ave Board
Structure of Accounts	Voluntary IRA: Roth IRA as the default, with other IRA options permissible; Marketplace: 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
Automatic Enrollment	Voluntary IRA: An employer participating in the Work and $ave program may automatically enroll its employees, if permitted by federal law; Marketplace: An employer that offers a plan through the marketplace may use automatic enrollment.
Employee Opt-out	Yes
Default Contribution Rate	Voluntary IRA: To be determined by the Board and can also include default auto-escalation; Marketplace: Not specified
Employer Contribution	Voluntary IRA: Not permitted; Marketplace: Permitted if an ERISA plan option
Availability to Other Employers	Not specified
Investment of Assets	Voluntary IRA: By default, contributions will be invested in a TDF investment and other funds can be available, such as index funds. A principal protection fund may be established for initial savings up to an amount established by the Board. Marketplace: 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.
Fees	Voluntary IRA: The program shall keep total fees and expenses below 1% of the funds invested. Marketplace: 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.
Implementation Timeline	The Board shall now implement the New Mexico Retirement Plan Marketplace and the New Mexico Work and $ave IRA Program on or before July 1, 2024 (deadline extended in the enacted 2021 program amendment bill).
Legislative Authority to Partner With Other States	Yes[19]

[19]The Colorado Secure Savings Program has executed a joint Memorandum of Cooperation (MoC) with the New Mexico Work and $ave Program to begin to explore the possibility of forming a partnership between the two states for purposes of implementing a retirement savings program.

APPENDIX[20]

City-Enacted Programs

(listed by date of enactment)

Seattle

New York City

[20] The Seattle, WA, program is on hold indefinitely pending state legislative action. New York City's program is expected to merge into the new auto-IRA New York state program.

Seattle Retirement Savings Plan

Year Enacted	2017
Employer Participation	Mandatory. There is a two-year deferral for new businesses.
Employers Affected	Employers that do not currently offer qualified plans or participate in a multiple employer plan (MEP)
Administrative Entity	The Seattle Retirement Saving Plan Board of Administration; chair appointed by the Mayor
Structure of Accounts	One or more payroll deposit IRA arrangement
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	The Board can set default, minimum, and maximum rates. The plan must offer default escalation.
Employer Contribution	Not permitted
Availability to Other Employers	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.
Investment of Assets	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.
Fees	Not specified. The plan must keep administration fees low, but sufficient to ensure that the plan is sustainable.
Implementation Timeline	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.

Savings Access New York (City) Retirement Program[21]

Year Enacted	2021
Employer Participation	Mandatory
Employers Affected	Employers with at least 5 employees that have been in business for at least two years and have not offered a qualified retirement plan in the previous two years
Administrative Entity	Retirement Savings Board (three-member board appointed by the Mayor)
Structure of Accounts	Roth IRA or traditional IRA, with one to be designated as the default option
Automatic Enrollment	Yes
Employee Opt-out	Yes
Default Contribution Rate	5% with authority to set auto-escalation or reduction
Employer Contribution	Not permitted
Availability to Other Employers	Employers, employees, and individuals not required to participate in the program will be allowed to participate on a voluntary basis.
Investment of Assets	To be determined by the Comptroller, subject to Board approval
Fees	Maintain reasonable fees and costs to participants. All fees required for the administration of the retirement savings program shall be borne by participants or paid through funds received.
Implementation Timeline	The law is effective 90 days after it becomes law. The program shall be operational no later than two years after the effective date of the law unless the Board finds a reasonable reason to delay implementation. The program shall not be implemented if New York State establishes a program covering a substantial portion of uncovered employers.
Legislative Authority to Partner With Others	Yes

[21]The NYC law specifies that the Board and Comptroller shall take all necessary steps to discontinue the program if they certify to the Mayor and Speaker in writing that the state has established a retirement savings program that requires a substantial portion of employers who would otherwise be covered employers to offer their employees the opportunity to contribute to accounts through payroll deduction or other method of contribution. As previously noted, on October 21, 2021, the Governor of New York signed S 5395A. This bill amends Chapter 55, which was originally signed into law in 2018 and established the New York State Secure Choice Savings Program. The amendment changes the program from a voluntary payroll deduction IRA to an auto-IRA. It is assumed that the city will now no longer implement its own program.

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