

**guideline**

# State retirement mandates & franchises

A guide to staying compliant  
as your franchise scales



# What's covered in this guide

## ✓ Overview of state retirement programs

Why state governments are passing retirement legislation

What state programs offer

How this impacts employers with a distributed workforce

## ✓ Why businesses are opting for a 401(k) instead of a state program

## ✓ Key details of each state program



### Did you know?

In recent years, state governments have passed retirement savings legislation to help individuals in their states save for retirement. As of June 2025, there are 20 states – and even some cities – that have announced a state retirement program – more proposed legislation is on the way. Nearly all of these programs require that businesses offer a state-sponsored plan or a qualified alternative, like a Guideline 401(k).

# Why states are passing retirement laws

## Why are state governments making retirement benefits required?

1-in-3 private sector workers, especially those at smaller businesses, do not have access to a workplace retirement benefit. State governments are looking to improve access to retirement by making it possible for more individuals to be able to save for their future right from their paycheck.

Our research shows that an employer-sponsored retirement benefit can help build confidence in one's ability to save, and even serve as a gateway to investing - which can be a crucial component to building wealth in the long term.

## 401(k) access helps build financial confidence and literacy

Our research shows that an employer-sponsored retirement benefit can help build retirement confidence and serve as a gateway to investing.



**42% invested for the first time** through a 401(k) or other employer-sponsored accounts.<sup>1</sup>



Those who started investing with a 401(k) are nearly 2x as **confident in their ability to retire**, compared to individuals who have not started investing.<sup>1</sup>



Respondents who began saving via a 401(k) are nearly 3x as likely to **feel comfortable investing for the long term** compared to those who have not yet invested.<sup>1</sup>

## What do the state programs offer?

Although the programs are operated at the state level, there is a framework that most have been following. Generally, these are Roth IRA accounts with a limited set of investment options to choose from. They are free for the employer, and do not allow for employer contributions to be made.

## How does this impact franchises with locations and employees in multiple states?

Many state programs have a similar framework and structure. Ultimately business owners will need to meet compliance requirements for each state that they operate in and could be required to set up plans with multiple programs.

## Why are businesses opting for a 401(k) over state programs?

While government-run programs are free to the employer, many businesses have chosen to meet the state mandate with a more comprehensive employee retirement benefit — like a [Guideline 401\(k\)](#).<sup>10</sup> There are a few reasons for this:



### Affordable & scalable for franchises

Set up a multi-entity 401(k) and sign all required plans with a single signature<sup>3</sup> and login, and cover all of your businesses with one 401(k) base fee.<sup>4</sup>



### Reduced turnover costs

Employees are 40% less likely to leave their employer within the first year when offered a 401(k). In industries like retail and food and beverage, where retirement benefits are less common, that figure is as high as 54%.<sup>5</sup>



### Streamlined compliance & 401(k) management

Offer an impactful benefit without piles of paperwork by choosing an all-in-one 401(k) that offers end-to-end management<sup>6</sup> — including government filings, compliance testing,<sup>7</sup> and serving as your 3(38) or 3(16) fiduciary.<sup>6</sup>



### Integrations to automate busywork

With two-way payroll integrations, your franchise won't need to manually update 401(k) data in payroll or track employee 401(k) eligibility — that means less time spent on payroll and fewer data entry and enrollment mistakes.



### Quality, live support

Your entire team gets access to live support, self-serve employee onboarding, guided investment portfolio selection, an award-winning mobile app<sup>8</sup>, and more.



### Tax savings

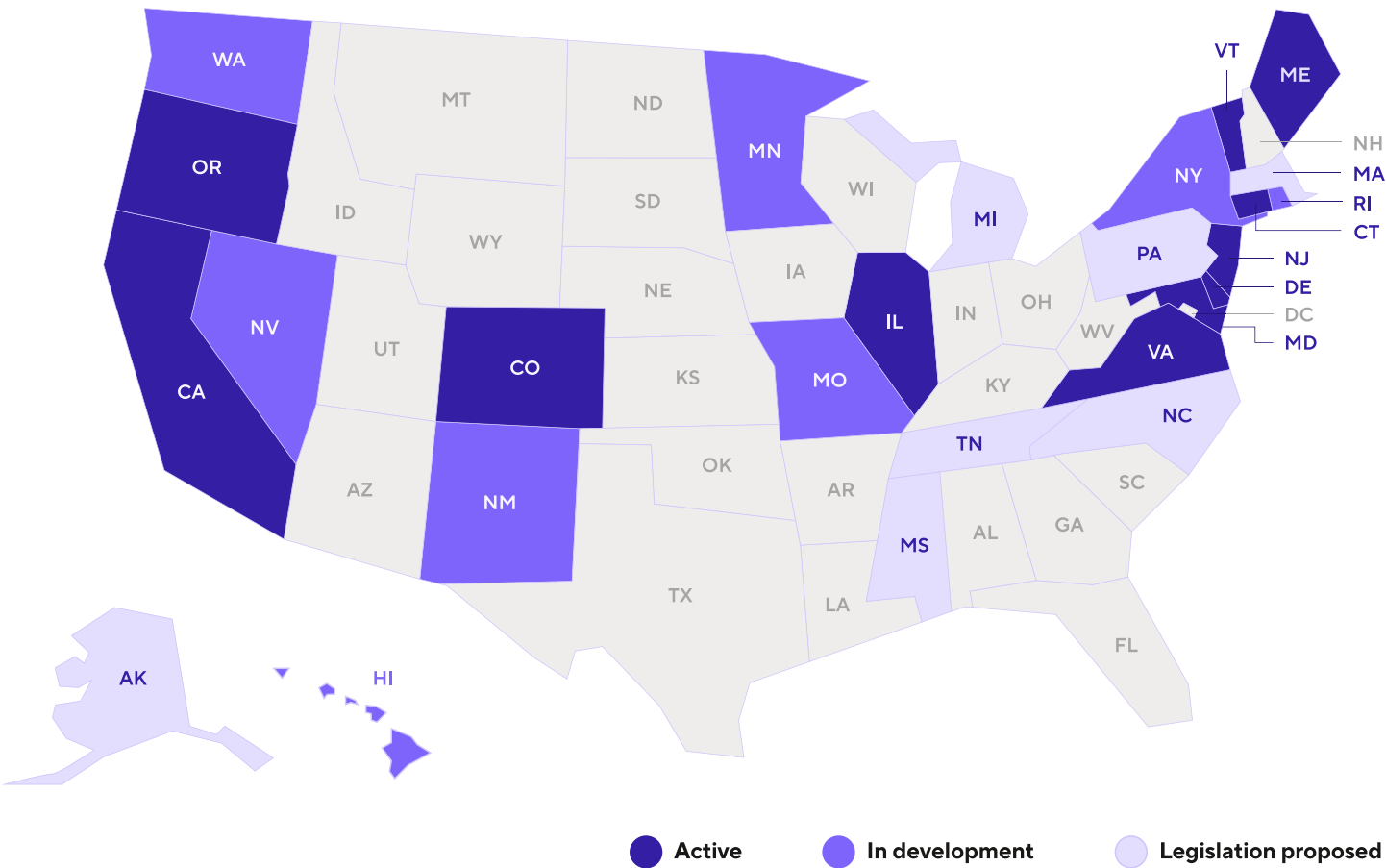
Franchises may qualify for up to \$16,500 in tax credits when starting a new 401(k), which could cover 100% of the plan costs for the first 3 years.<sup>9</sup>

See page 10 for more information specific to the content on this page.



# The current state of mandates

Updated as of June 2025



To see the latest information about state mandates and estimate the costs for setting up a 401(k), [visit our website](#).

# Breakdown of programs, state by state

## Alabama

**Status:** Legislation proposed, currently stalled

## Alaska

**Program:** Alaska Work & Save Program

**Status:** Legislation proposed, pending approval

**Program details:** [Alaska Work & Save Program](#)

## Arizona

**Status:** Legislation proposed, currently stalled

## Arkansas

**Status:** Legislation proposed, died in House Committee

## California

**Program:** CalSavers

**Status:** Active

**Businesses with 1-4 employees:** Setup by December 31, 2025

**Businesses with 5+ employees:** Setup by December 31 in the year in which your business(es) has 5 or more employees

**Penalties:**

- \$250 per eligible employee if noncompliance extends 90 days or more after the notice.
- Additional \$500 per eligible employee if noncompliance extends 180 days or more after the notice.

**Program details:** [CalSavers.com](#)

## Colorado

**Program:** Colorado SecureSavings

**Status:** Active

**Businesses with 5+ employees:** Setup by May 15 in the year in which your business(es) has 5 or more employees

**Penalties:** \$100 per eligible employee per year, not to exceed \$5,000 annually. Enforcement of fines will not begin until at least one year after the program is established or one year after an employer is scheduled to enter the program, whichever is later.

**Program details:** [Colorado SecureSavings](#)

## Connecticut

**Program:** MyCTSavings

**Status:** Active

**Businesses with 5+ employees:** Newly eligible businesses will receive a notification that they are required to sign up for MyCTSavings

**Program details:** [MyCTSavings.com](#)

## Delaware

**Program:** Delaware EARNs

**Status:** Active

**Businesses with 5+ employees:** June 30, 2025 for newly eligible businesses

**Penalties:** \$250 per eligible employee per year, not to exceed \$5,000 annually

**Program details:** [Delaware EARNs program](#)

## Florida

**Status:** Legislation proposed in 2024, died in subcommittee

## Georgia

**Program:** Peach State Saves Program

**Status:** Legislation proposed, pending approval

**Program details:** [Peach State Saves Program](#)

## Hawaii

**Program:** Hawaii Retirement Savings Program

**Status:** Program under development

**Program details:** [Hawaii Retirement Savings Program](#)

## Idaho

**Status:** No legislation proposed

## Illinois

**Program:** Illinois Secure Choice

**Status:** Active

**Businesses with 5+ employees:** Employers with five or more employees in business every quarter of the previous year and that have been in business for at least two years.

**Penalties:**

- \$250 per eligible employee for the first calendar year
- \$500 per eligible employee for each subsequent year

**Program details:** [Illinois Secure Choice](#)

## Indiana

**Status:** Legislation proposed, currently stalled

## Iowa

**Program:** [Iowa Savings Plan Trust](#)

**Status:** Legislation proposed, pending approval

## Kansas

**Status:** No legislation proposed

## Kentucky

**Status:** No legislation proposed

## Louisiana

**Status:** No legislation proposed

## Maine

**Program:** Maine Retirement Investment Trust (MERIT)

**Status:** Active

**Businesses with 5+ employees:** June 30, 2025 for newly eligible employers with five or more employees in business for at least two years and don't offer a qualified retirement plan.

**Penalties:**

- 7/1/2025 - 6/30/2026: \$20 per employee for non-compliance
- 7/1/2026 - 6/30/2027: \$50 per employee for non-compliance
- After 7/1/2027: \$100 per employee for non-compliance

**Program details:** [MERIT Saves](#)

## Maryland

**Program:** MarylandSaves

**Status:** Active

**Businesses with 1+ employees:** Employers that have been in operation for at least 2 calendar years, have at least one employee over the age of 18, and use an automated payroll system are required to participate.

**Program details:** [MarylandSaves](#)

## Massachusetts - Non-Profit

**Program:** Mass CORE Plan

**Status:** Active, voluntary

**Businesses with less than 20 employees:** Nonprofit organizations with 20 or fewer employees can offer a retirement benefits plan through a 401(k) multiple employer plan (MEP).

**Program details:** [Mass CORE Plan](#)

## Massachusetts - Private sector

**Program:** Massachusetts Secure Choice Savings Program

**Status:** Legislation proposed, pending approval

**Program details:** [The Massachusetts Secure Choice Savings Program Act](#)

## Michigan

**Status:** Legislation proposed in 2024, stalled

## Minnesota

**Program:** Minnesota Secure Choice Retirement Program

**Status:** Program under development, expected to launch Q1 2026

**Program details:** [Minnesota Secure Choice Retirement Program](#)

## Mississippi

**Program:** Show-Me My Retirement Savings Plan

**Status:** Program under development

**Program details:** [Show-Me My Retirement Savings Plan](#)

## Missouri

**Program:** The Missouri Workplace Retirement Savings Plan

**Status:** Legislation proposed, pending approval

**Program details:** [The Missouri Workplace Retirement Savings Plan](#)

## Montana

**Status:** No legislation proposed

## Nebraska

**Status:** No legislation proposed

## Nevada

**Program:** Nevada Employee Savings Trust

**Status:** Program under development, expected to launch July 2025

**Eligible businesses:** Businesses with 5+ employees

**Program details:** [Nevada Employee Savings Trust](#)

## New Hampshire

**Status:** No legislation proposed

## New Jersey

**Program:** RetireReady NJ

**Status:** Active

**Businesses with 25+ employees:** Employers with at least 25 employees are required by law to facilitate RetireReady NJ if they don't offer a retirement plan for their employees.

### Penalties:

- Penalties depend on the number of years a business is noncompliant and can be fined up to \$500 per employee
- June 15, 2025: Penalties begin for businesses with 40+ employees
- August 15, 2025: Penalties begin for businesses with 25+ employees

**Program details:** [RetireReady NJ](#)

## New Mexico

**Program:** New Mexico Work & Save

**Status:** Program under development, currently delayed

**Program details:** [New Mexico Work & Save](#)

## New York City

**Program:** NYC Program: Mandatory Auto IRA

**Status:** Program under development

**Program details:** [NYC Program: Mandatory Auto IRA law](#)

## New York State

**Program:** New York State Secure Choice

**Status:** Program under development

**Program details:** [New York State Secure Choice](#)

## North Carolina

**Program:** North Carolina Work and Save

**Status:** Legislation proposed, pending approval

**Program details:** [North Carolina Work and Save program](#)

## North Dakota

**Status:** No legislation proposed

## Ohio

**Status:** No legislation proposed

## Oklahoma

**Status:** No legislation proposed

## Oregon

**Program:** OregonSaves

**Status:** Active

**Businesses with 1+ employees:** Employers with 1+ employee are required by law to facilitate OregonSaves if they don't offer a retirement plan for their employees.

**Penalties:** Up to \$100 per employee (\$5000 max annually)

**Program details:** [OregonSaves](#)

## Pennsylvania

**Program:** Keystone Saves Program

**Status:** Legislation proposed, pending approval

**Program details:** [Keystone Saves](#)

## Rhode Island

**Program:** RI Savers

**Status:** Program under development

**Program details:** [Rhode Island Secure Choice Retirement Savings Program](#)

## South Carolina

**Status:** Legislation proposed in 2024, died in committee

## South Dakota

**Status:** No legislation proposed

## Tennessee

**Status:** Legislation proposed, withdrawn from consideration

## Texas

**Status:** No legislation proposed

## Utah

**Status:** No legislation proposed

## Vermont

**Program:** VTSaves

**Status:** Active

**Businesses with 5+ employees:** Employers with 5+ employees that have been in business for at least 2 years and do not offer a qualified retirement plan are required to register.

**Program details:** [Vermont Saves](#)

## Virginia

**Program:** RetirePathVA

**Status:** Active

**Businesses with 25+ employees:** Employers with 25+ employees, operating for 2 or more years, and don't offer a retirement plan for their employees are required to facilitate RetirePath.

**Penalties:** \$200 penalty per eligible employee per year

**Program details:** [RetirePath Virginia](#)

## Washington

**Program:** Washington Saves

**Status:** Program under development, expected to launch in 2027

**Program details:** [Washington Saves Retirement Program](#)

**Program:** Washington Small Business Retirement Marketplace

**Status:** Marketplace IRA currently active

**Program details:** [Retirement Marketplace](#)

## West Virginia

**Status:** Legislation proposed, currently stalled

## Wisconsin

**Status:** Legislation proposed in 2024, failed to pass

## Wyoming

**Status:** No legislation proposed

## Disclaimers

1. Guideline research run with Suzy. Insights based on data collected in December 2022, from a survey of 1,086 US-based respondents ages 18-67. Guideline was not identified as the survey sponsor. Though the survey is broad in scope, the experiences of the respondents in this survey may not be representative of all people.
2. The information provided herein is general in nature and is for informational purposes only. It should not be used as a substitute for specific tax, legal and/or financial advice. Guideline has prepared this summary from third-party sources as of June 2025. This information is considered to be reliable at the time of writing, may not necessarily be all-inclusive, is not guaranteed as to accuracy and is subject to change at any time without notice. You are advised to consult a qualified financial adviser or tax professional before relying on the information provided. Deadlines, fees, and other program details are subject to change by the state without notice and should be checked prior to making any decisions. If you already offer a qualified employer-sponsored plan, exemptions may be required. Please consult with your states specific exemption information for more details.
3. Available for eligible legally related groups that have a single trustee w/ sole signing authority & are not a conversion plan. [Learn More](#)
4. We require all plan sponsors transferring an existing 401(k) to Guideline to set up and maintain an Enterprise plan for at least one year. After one year, the plan will be eligible to switch to a different pricing plan. We require all legally related groups to be in our Enterprise or Starter tiers.
5. Source: [Gusto November 2022](#)
6. Investment advisory services for Guideline's 401(k) product (when 3(38) fiduciary services are appointed) are offered by Guideline Investments, LLC, an SEC-registered investment adviser. Recordkeeping services are offered by Guideline RK, LLC. 3(16) plan administration services are also offered by Guideline RK, LLC and only made available to clients who utilize an eligible payroll provider. Guideline uses a third-party to provide custodial services. Custodial fees are paid by Guideline.
7. All plans of related entities must be administered by Guideline in order to provide compliance testing.
8. 2024 Fast Company [Innovation by Design Award Winner](#) for Guideline's mobile application in the Mid-Size business category.
9. You should consult a tax professional to determine what types of tax credits or deductions your company is eligible to claim.
10. Research insights based on data collected in March 2025, from a survey conducted by Guideline, Inc that consisted of 156 clients who were active at the time of the survey based in California. Guideline was identified as the survey sponsor. Though the survey is broad in scope, the experiences of the respondents in this survey may not be representative of all clients.



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