

The state retirement programs, explained

Your go-to guide for helping keep your clients compliant



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 December 2024, 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.¹



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.¹



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.¹

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.

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

How does this impact businesses with employees in multiple states?

While many state programs have a similar framework and structure, your clients will need to meet compliance requirements for each state in which they operate and could be required to set up plans in multiple programs.

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

While the state-program is 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).² There are a few reasons for this:



Simple setup

With Guideline, your clients can get started in as little as 10 minutes. We'll help you choose a plan that meets the mandate and your business's goals.



Automated busywork

Integrating with leading payroll providers means no need to maintain deductions or manually re-enter payroll data.



Live support

Your clients and their team get access to live support, guided employee onboarding, an award-winning mobile app³, and more.

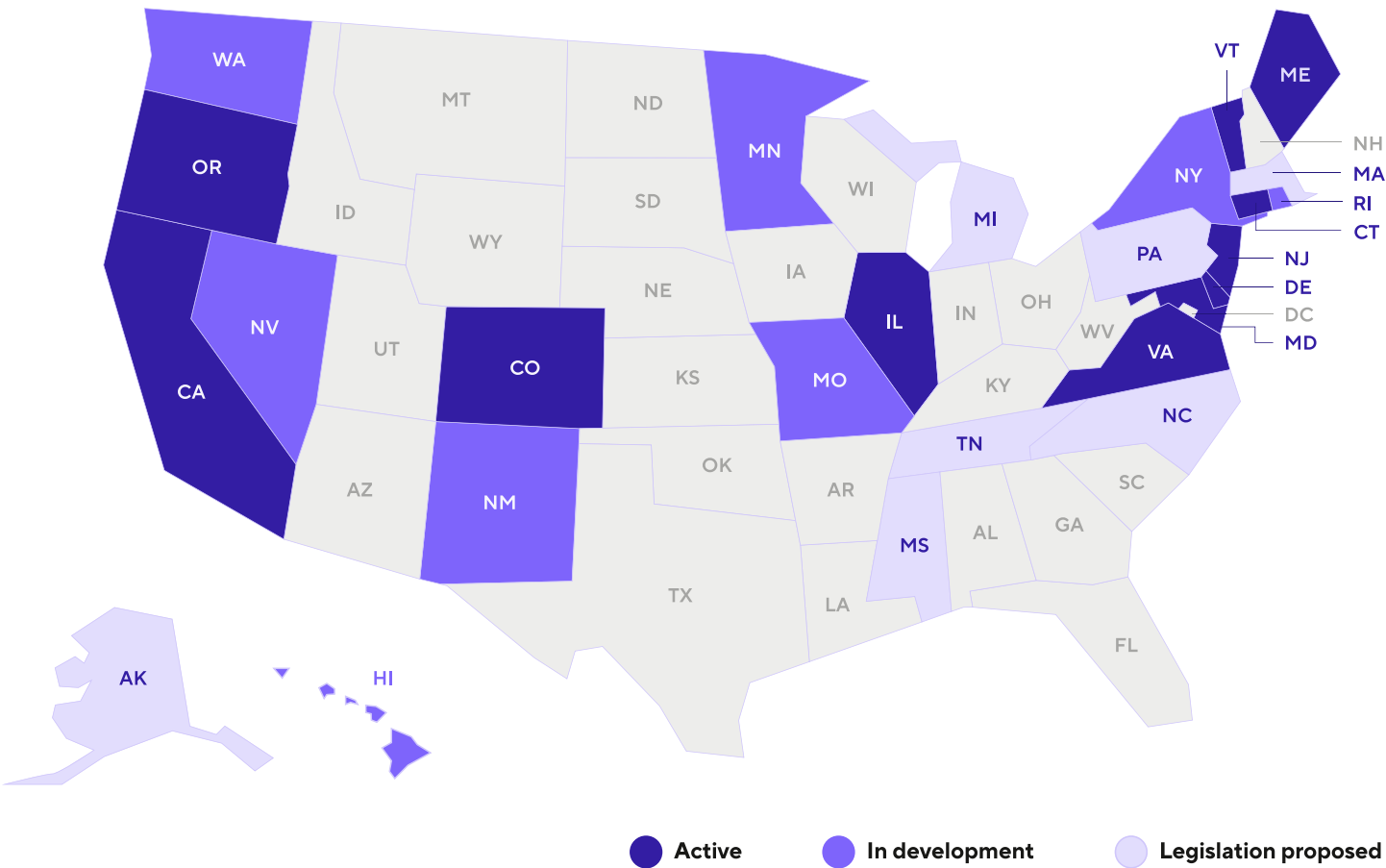


Tax savings

Your clients 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.⁴

The current state of mandates

Updated as of December 2024



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: No legislation proposed

Alaska

Program: Alaska Work & Save Program

Status: Legislation proposed, pending approval

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

Arizona

Status: No legislation proposed

Arkansas

Status: No legislation proposed

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: October 15, 2024

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

Program details: [Delaware EARNs program](#)

Florida

Status: No legislation proposed

Georgia

Status: No legislation proposed

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: No legislation proposed

Iowa

Status: No legislation proposed

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: Employers with five or more employees in business for at least two years and don't offer a qualified retirement plan for their employees are required by law to facilitate MERIT.

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 W-2 employee, 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

Program: Michigan Secure Retirement Savings Program

Status: Legislation proposed, pending approval

Program details: [Michigan Retirement Saving Program Act](#)

Minnesota

Program: Minnesota Secure Choice Retirement Program

Status: Program under development

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

Mississippi

Program: The Mississippi Work and Save Program

Status: Legislation proposed, pending approval

Program details: [The Mississippi Work and Save Program House Bill 701](#)

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

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

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: Rhode Island Secure Choice Retirement Savings Program

Status: Program under development

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

South Carolina

Status: No legislation proposed

South Dakota

Status: No legislation proposed

Tennessee

Program: Tennessee Retirement Savings Plan

Status: Legislation proposed, pending approval

Program details: [The Tennessee Retirement Savings Plan Act](#)

Texas

Status: No legislation proposed

Utah

Status: No legislation proposed

Vermont

Program: VTSaves

Status: Active

Businesses with 5+ employees: March 1, 2025

Program details: [VTSaves](#)

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 Small Business Retirement Marketplace

Status: Program under development

Program details: Unavailable at this time

West Virginia

Status: No legislation proposed

Wisconsin

Status: No legislation proposed

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 December 2024. 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. 2024 Fast Company Innovation by Design Award Winner for Guideline's mobile application in the Mid-Size business category.
4. You should consult a tax professional to determine what types of tax credits or deductions your company is eligible to claim.



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