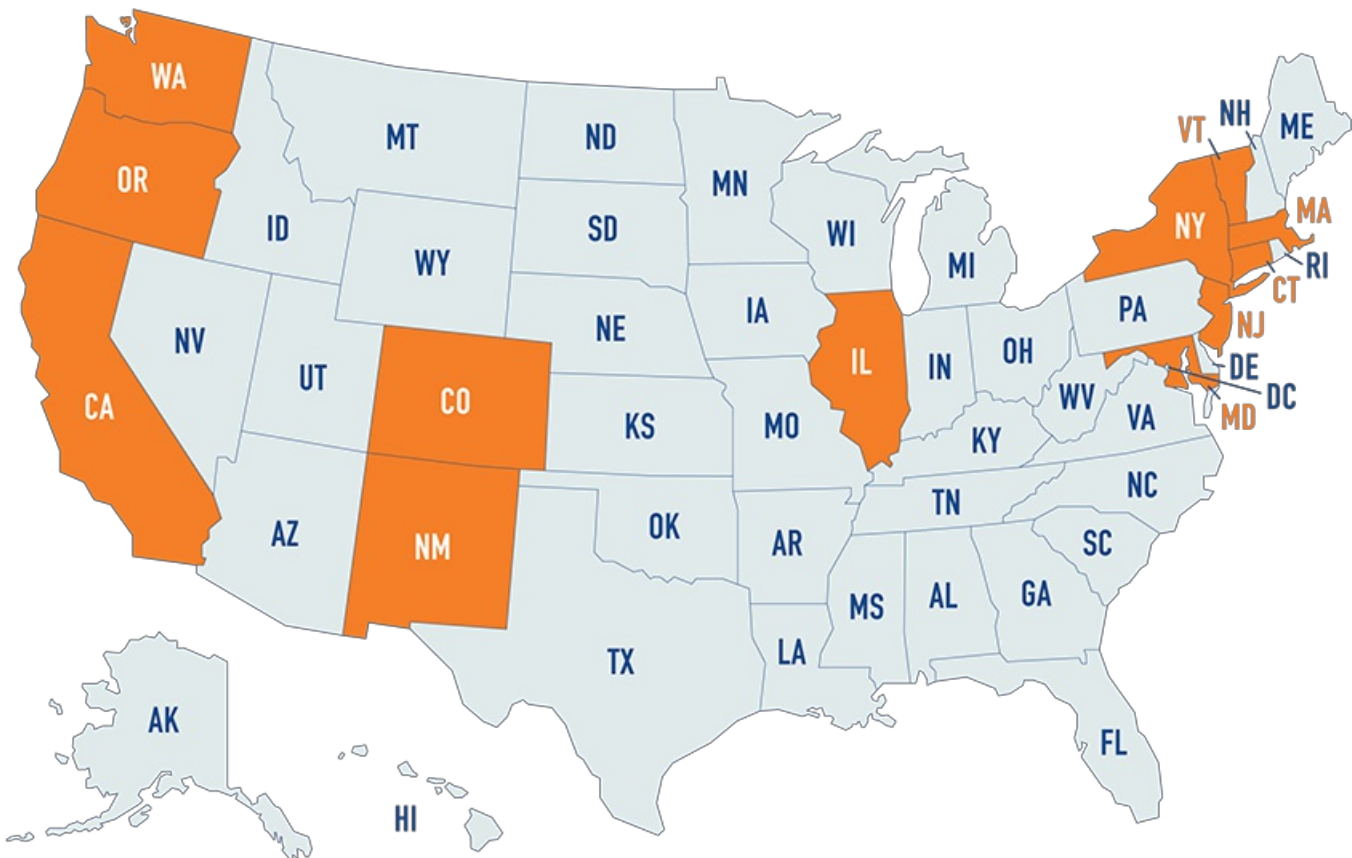


# State-mandated retirement plans

Many states have begun to require small businesses to provide retirement benefits to their employees as a way to address the retirement savings gap in this country. These state-mandated retirement plans carry the added responsibility of employers choosing a plan that’s right for their business and performing various administrative tasks to comply with the laws. Businesses generally have two ways to comply with these laws—enroll their employees into a state-sponsored retirement program or sponsor a plan of their own through the private market, such as those offered by Mesirow.

Below are some high level summaries for some key states that are mandating retirement plans.



Retirement plans have evolved over the years and can now fulfill the needs of businesses large and small. For instance a Pooled Employer Plan or PEP is a new kind of defined contribution plan similar to the 401(k) plans offered by individual employers, but with many advantages including reduced fees, less risk and enhanced outcomes. A PEP could be an interesting alternative to any of the state run plans listed below.

[Learn more about a PEP](#)

## Illinois

Type of plan: Individual Retirement Account (Auto-IRA)

Deadlines: Enrollment for employers with 16-24 employees will begin no sooner than September 1, 2022.

Fines: Employers may be subject to a \$250 fine per employee for the first calendar year in which employees aren’t enrolled or

don't opt-out and \$500 per employee for the second calendar year in which employees aren't enrolled or don't opt-out.

[LEARN MORE ABOUT ILLINOIS SECURE CHOICE](#)

## California

Type of plan: Individual Retirement Account (Auto-IRA)

Deadlines: Final deadline on June 30, 2022 requires employers with 5+ employees to offer a plan (mandates for businesses with 100+ employees and 50+ employees have already passed).

Fines: Employers may be subject to a \$250 fine per employee if found in non-compliance 90+ days after the notice and a \$500 fine per employee if found in non-compliance after 180+ days.

[LEARN MORE ABOUT CALSAVERS](#)

## Massachusetts

Type of plan: Voluntary Open Multiple Employer Plan (MEP)

Deadlines: N/A

Fines: N/A

[LEARN MORE ABOUT MASSACHUSETTS DEFINED CONTRIBUTION CORE PLAN](#)

## New Jersey

Type of plan: Individual Retirement Account (Auto-IRA)

Deadlines: Program is expected to launch in March 2022.

Fines: Employers may be subject to a written warning for the first calendar year found in non-compliance, a fine of \$100 for the second calendar year in non-compliance, a fine of \$250 per employee for the third and fourth calendar year, and a fine of \$500 per employee for the fifth (and subsequent) calendar year.

[LEARN MORE ABOUT NEW JERSEY SECURE CHOICE](#)

## New York

Type of plan: Individual Retirement Account (Auto-IRA)

Deadlines: Employers with 10+ employees must be in compliance no later than nine months after the program is open for enrollment. As of February 2022, implementation appears to be moving forward—but final deadlines are still TBD.

Fines: TBD. As of early 2022, the program was in the process of naming a consultant to assist with program design, administration, investment management, and more.

[LEARN MORE ABOUT NEW YORK SECURE CHOICE SAVINGS](#)

## Oregon

Type of plan: Individual Retirement Account (Auto-IRA)

Deadlines: Registration for employers with 4 or fewer employees is targeted for late 2022 (registration deadlines for all other businesses have passed).

Fines: Employers may be subject to a \$100 fine per employee (up to a maximum of \$5,000 per calendar year) if found in non-compliance.

[LEARN MORE ABOUT OREGONSAVES](#)

## **Washington**

Type of plan: Marketplace where employers can choose from a variety of plans.

Deadlines: There is no deadline.

Fines: There are no fines.

[Retirement Marketplace](#)

## **Colorado**

Type of plan: Individual Retirement Account (IRA)

Deadlines: Enrollment begins 2023.

Fines: N/A.

[Colorado secure savings](#)

## **New Mexico**

Type of plan: Individual Retirement Account (IRA)

Deadlines: July 1, 2024.

Fines: N/A.

[New Mexico Work and Save Act](#)

## **Vermont**

Type of plan: Multiple-employer plan (MEP)

Deadlines: Postponed.

Fines: N/A.

[Green Mountain Secure Retirement Plan](#)

## **Connecticut**

Type of plan: Individual Retirement Account (IRA)

Deadlines: Eligibility and deadlines will roll out in three waves

Wave 1 - Registration deadline 6.30.22 for employers with 100 or more employees.

Wave 2 - Registration deadline 10.1.22 for employers with 26-99 employees.

Wave 3 - Registration deadline 3.30.23 for employers with 5-25 employees.

Fines: N/A.

[MyCT Savings](#)

## **Maryland**

Type of plan: Individual Retirement Account (IRA)

Deadlines: The program begins September 6, 2022.

Fines: N/A.

## [Maryland Saves](#)

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