2026 EMPLOYER EDITION · REVIEWED AUGUST 2026

State Retirement Plan Mandates

Requirements, deadlines, and penalties for all 50 states and the District of Columbia. A practical reference for employers deciding between a state program and a plan of their own.

10	**4**	**2**	**5**	**29+DC**
Mandates in force	Phasing in deadlines	Enacted and launching	Voluntary programs	No program identified

Leading Retirement Solutions
Nationwide third-party administration · Seattle, WA
leadingretirement.com

EMPLOYER REFERENCE GUIDE

START HERE

How to use this guide

Ten states require employers to offer a retirement plan today. Four more are phasing in deadlines, two are preparing to launch, and thresholds have moved in only one direction: down. This guide gives you the current position for every state, so you can find yours in under a minute.

The three questions that decide your obligation

- [ ] **Where do your employees actually work?**
  Coverage follows where an employee works and is paid, not where the business is incorporated. A company headquartered in a state with no program can still be covered by two or three mandates through remote staff.

- [ ] **Do you already sponsor a qualifying plan?**
  A 401(k), Safe Harbor 401(k), 403(b), SEP, SIMPLE, or pooled employer plan satisfies the requirement in every mandate state reviewed. You are exempt, but you may still have to say so.

- [ ] **Has your exemption actually been filed?**
  In several states, including California and Oregon, having a plan does not exempt you on its own. You have to certify it through the state portal, and Oregon requires renewal every three years.

What a state program cannot do

State programs are payroll-deduction Roth IRAs in almost every case, and that structure has hard limits built in. Employers cannot contribute. Contribution ceilings are IRA ceilings, well below what a 401(k) allows. Investment menus, default rates, and features are set by the state. There is no plan document to design and no match to offer. Massachusetts and Missouri are the two exceptions, both of which chose a multiple employer 401(k) structure precisely so it could accept employer money.

> THE MISTAKE THAT COSTS THE MOST
>
> An unfiled exemption and no plan at all look identical from the state's side. Employers who sponsor a perfectly good 401(k) receive non-compliance notices every year because nobody completed a two-minute certification. If you sponsor a plan in a mandate state, confirm the exemption is on file and calendar the renewal.

QUICK REFERENCE

All 50 states and D.C. at a glance

Sorted by how urgent the obligation is rather than alphabetically. States with a mandate in force come first. The five status labels are defined below.

MANDATE IN FORCE

Live requirement. Employees here and no qualifying plan on file means an open compliance item, not a future one.

PHASING IN

The requirement exists and the calendar is still unfolding. Some deadlines have passed for larger employers and are still ahead for smaller ones.

LAUNCHING

Enacted and preparing to open. Nothing is required yet, which makes this the cheapest time to choose your own path.

NOT ENFORCED

Published penalty schedule, not currently being assessed. Document your position and calendar your wave.

VOLUNTARY

No employer obligation. Included because employers search for these states, and because voluntary frameworks tend to become mandatory ones.

STATE	STATUS	PROGRAM	COVERED EMPLOYERS
California	MANDATE IN FORCE	CalSavers	1 or more eligible employees
Oregon	MANDATE IN FORCE	OregonSaves	1 or more employees
Illinois	MANDATE IN FORCE	Illinois Secure Choice	5 or more employees in every quarter of the prior calendar year, and at least two years in business
Connecticut	MANDATE IN FORCE	MyCTSavings	5 or more employees
Maryland	MANDATE IN FORCE	MarylandSaves	1 or more employees, at least two years of operations, and an automated payroll system
Colorado	MANDATE IN FORCE	Colorado SecureSavings	5 or more employees and at least two years in business
Maine	MANDATE IN FORCE	MERIT (Maine Retirement Investment Trust)	5 or more covered employees and at least two years of operations

STATE	STATUS	PROGRAM	COVERED EMPLOYERS
Delaware	MANDATE IN FORCE	Delaware EARNS	5 or more covered employees in the prior calendar year, and at least six months in business in Delaware
Vermont	MANDATE IN FORCE	VT Saves	2 or more employees and at least two years in business. The threshold dropped from 5 employees to 2 in 2026.
Nevada	MANDATE IN FORCE	Nevada Employee Savings Trust (NEST)	6 or more employees and at least 36 months of operations
Virginia	PHASING IN	RetirePath Virginia	Dropping from 25 employees to 5 employees effective July 1, 2026
New Jersey	PHASING IN	RetireReady NJ	Reduced from 25 employees to 10 employees. The implementation schedule for the lower tier is expected during 2026.
New York	PHASING IN	New York Secure Choice	10 or more employees and at least two years in business, with no qualified plan in the preceding two years
Rhode Island	PHASING IN	RISavers	5 or more employees
Washington	LAUNCHING	Washington Saves, plus the voluntary Retirement Marketplace	To be set for Washington Saves. The Retirement Marketplace is open to all small employers on a voluntary basis.
Hawaii	LAUNCHING	Hawaii Retirement Savings Program (HRSP)	Employers that do not offer a qualified retirement plan. The program is not yet open for registration.
Minnesota	NOT ENFORCED	Minnesota Secure Choice	5 or more employees, with registration phased by employer size
Massachusetts	VOLUNTARY	Massachusetts Defined Contribution CORE Plan	Nonprofit organizations with up to 100 employees, expanded from a smaller cap in 2025
Utah	VOLUNTARY	Utah voluntary retirement exchange (HB 250)	Voluntary participation. No employer mandate.
Mississippi	VOLUNTARY	Mississippi voluntary payroll-deduction IRA (HB 4073)	Voluntary participation. No employer mandate.
Missouri	VOLUNTARY	Show-Me MyRetirement Plan (HB 1732)	Voluntary participation. No employer mandate.
New Mexico	VOLUNTARY	New Mexico Work & $ave	Voluntary. No employer mandate.

STATE	STATUS	PROGRAM	COVERED EMPLOYERS
Alabama	LEGISLATION PENDING	None enacted	Not applicable
Alaska	LEGISLATION PENDING	None enacted	Not applicable
Arizona	LEGISLATION PENDING	None enacted	Not applicable
Arkansas	LEGISLATION PENDING	None enacted	Not applicable
Florida	LEGISLATION PENDING	None enacted	Not applicable
Georgia	LEGISLATION PENDING	None enacted	Not applicable
Indiana	LEGISLATION PENDING	None enacted	Not applicable
Iowa	LEGISLATION PENDING	None enacted	Not applicable
Michigan	LEGISLATION PENDING	None enacted	Not applicable
North Carolina	LEGISLATION PENDING	None enacted	Not applicable
Pennsylvania	LEGISLATION PENDING	None enacted	Not applicable
South Carolina	LEGISLATION PENDING	None enacted	Not applicable
Tennessee	LEGISLATION PENDING	None enacted	Not applicable
West Virginia	LEGISLATION PENDING	None enacted	Not applicable
Wisconsin	LEGISLATION PENDING	None enacted	Not applicable
District of Columbia	NO PROGRAM	None	Not applicable
Idaho	NO PROGRAM	None	Not applicable
Kansas	NO PROGRAM	None	Not applicable
Kentucky	NO PROGRAM	None	Not applicable
Louisiana	NO PROGRAM	None	Not applicable
Montana	NO PROGRAM	None	Not applicable
Nebraska	NO PROGRAM	None	Not applicable
New Hampshire	NO PROGRAM	None	Not applicable

STATE	STATUS	PROGRAM	COVERED EMPLOYERS
North Dakota	NO PROGRAM	None	Not applicable
Ohio	NO PROGRAM	None	Not applicable
Oklahoma	NO PROGRAM	None	Not applicable
South Dakota	NO PROGRAM	None	Not applicable
Texas	NO PROGRAM	None	Not applicable
Wyoming	NO PROGRAM	None	Not applicable

Penalty detail for each state appears in the state pages that follow. Status reflects the LRS compliance review of official state program sites and statutes, August 2026.

MANDATE IN FORCE

States with mandates in force

These ten states have live requirements today.

California

MANDATE IN FORCE

CalSavers

California runs the largest auto-IRA program in the country and it now reaches every employer in the state. The original 5-employee threshold was dropped to a single eligible employee, and the last compliance date passed at the end of 2025. That makes California binary today: a covered employer is registered, exempt on file, or exposed.

COVERED EMPLOYERS	1 or more eligible employees
DEADLINE	All deadlines have passed. The 5+ employee tier closed 6/30/2022; the final 1+ employee tier closed 12/31/2025.
PENALTY	$250 per eligible employee 90 days after notice, plus an additional $500 per eligible employee if non-compliance continues. Assessed by the Franchise Tax Board and re-applied in later years.
PLAN DESIGN	Roth IRA by default, with the option to recharacterize to a traditional IRA.

Official program: www.calsavers.com · Full guide: leadingretirement.com/state-retirement-mandates/california/

Oregon

MANDATE IN FORCE

OregonSaves

OregonSaves launched in 2017 as the first program of its kind and it remains one of the broadest. There is no small-employer carve-out: one employee and no qualified plan means you are covered.

COVERED EMPLOYERS	1 or more employees
DEADLINE	All deadlines have passed, including the final 1+ employee tier.
PENALTY	$100 per affected employee, capped at $5,000 per calendar year, enforced through the Oregon Bureau of Labor and Industries.
PLAN DESIGN	Roth IRA, auto-enrollment at 5% with automatic escalation to 10%.

Official program: www.oregonsaves.com · Full guide: leadingretirement.com/state-retirement-mandates/oregon/

Illinois

MANDATE IN FORCE

Illinois Secure Choice

Illinois measures its threshold across every quarter of the prior year, not on a single headcount date. Seasonal businesses that cross five employees for part of the year should check the quarterly test rather than assuming a December number settles it.

COVERED EMPLOYERS	5 or more employees in every quarter of the prior calendar year, and at least two years in business
DEADLINE	Rolling. Register or certify an exemption on becoming eligible or on receiving notice.
PENALTY	$250 per employee in the first year of non-compliance and $500 per employee in each following year, enforced by the Illinois Department of Revenue.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.ilsecurechoice.com · Full guide: leadingretirement.com/state-retirement-mandates/illinois/

Connecticut

MANDATE IN FORCE

MyCTSavings

Connecticut moved from an encouragement posture to a real enforcement posture in 2025. The Comptroller now has statutory authority to assess penalties, the state widened its definition of a covered employee, and it aligned certain defaults with federal rules for new participants.

COVERED EMPLOYERS	5 or more employees
DEADLINE	August 31 of the year after meeting the eligibility test.
PENALTY	Since July 1, 2025 the State Comptroller may assess civil penalties after a three-notice process and a cure period: $500 for 5 to 24 employees, $1,000 for 25 to 99, and $1,500 for 100 or more, for each year of continued non-compliance.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.myctsavings.com · Full guide: leadingretirement.com/state-retirement-mandates/connecticut/

Maryland

MANDATE IN FORCE

MarylandSaves

Maryland is the one state that uses a carrot instead of a stick. There is no fine for ignoring MarylandSaves, but registering or certifying a qualified plan waives the $300 State Department of Assessments and Taxation annual report fee.

COVERED EMPLOYERS	1 or more employees, at least two years of operations, and an automated payroll system
DEADLINE	December 31 annually. Register or certify an exemption.
PENALTY	No monetary penalty at present. Compliant employers receive a waiver of the $300 SDAT annual report filing fee.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.marylandsaves.com · Full guide: leadingretirement.com/state-retirement-mandates/maryland/

Colorado

MANDATE IN FORCE

Colorado SecureSavings

Colorado has been live statewide since 2023, so the interesting question here is not the launch but the annual re-test. Employers that grow into the five-employee threshold, or cross two years in business, become newly covered and owe a registration by the following May 15.

COVERED EMPLOYERS	5 or more employees and at least two years in business
DEADLINE	May 15 of the year after becoming eligible.
PENALTY	Up to $100 per unenrolled eligible employee per year, capped at $5,000.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: coloradosecuresavings.com · Full guide: leadingretirement.com/state-retirement-mandates/colorado/

Maine

MANDATE IN FORCE

MERIT (Maine Retirement Investment Trust)

Maine wrote its penalties as a published ramp rather than a flat number, and the ramp steps up on July 1 each year. An employer weighing whether to deal with MERIT this quarter or next quarter is making a decision with a date attached to it.

COVERED EMPLOYERS	5 or more covered employees and at least two years of operations
DEADLINE	June 30 following the year the thresholds are met. Program opened January 2024.
PENALTY	A scheduled escalation: $20 per employee from 7/1/2025 to 6/30/2026, $50 from 7/1/2026 to 6/30/2027, and $100 on or after 7/1/2027.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.meritsaves.com · Full guide: leadingretirement.com/state-retirement-mandates/maine/

Delaware

MANDATE IN FORCE

Delaware EARNS

Delaware's six-month operating test is the shortest runway of any active program. A business incorporated in the spring can be a covered employer before its first full year closes, which catches newly formed companies that assume mandates are a problem for established firms.

COVERED EMPLOYERS	5 or more covered employees in the prior calendar year, and at least six months in business in Delaware
DEADLINE	Generally October 15 of the applicable year following notification.
PENALTY	$250 per unenrolled eligible employee, capped at $5,000 per calendar year.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.delawareearns.com · Full guide: leadingretirement.com/state-retirement-mandates/delaware/

Vermont

MANDATE IN FORCE

VT Saves

Vermont now has the second-lowest threshold in the country. Cutting it from five employees to two in 2026 pulled in a large share of the state's smallest businesses, including many that had correctly concluded they were exempt a year earlier.

COVERED EMPLOYERS	2 or more employees and at least two years in business. The threshold dropped from 5 employees to 2 in 2026.
DEADLINE	The initial registration deadline was February 2025. Newly covered employers onboard on a rolling basis.
PENALTY	Treasurer-adopted civil penalties on a phased schedule: up to $10 per employee before 10/1/2025, up to $20 from 10/1/2025 through 9/30/2026, and up to $75 on or after 10/1/2026.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.vtsaves.com · Full guide: leadingretirement.com/state-retirement-mandates/vermont/

Nevada

MANDATE IN FORCE

Nevada Employee Savings Trust (NEST)

Nevada is the outlier on thresholds: six employees and three full years of operations, both higher than the norm. That excludes a meaningful slice of small businesses that would be covered in a neighboring state.

COVERED EMPLOYERS	6 or more employees and at least 36 months of operations
DEADLINE	Covered employers were initially required to register or certify an exemption by September 1, 2025.
PENALTY	Nevada law authorizes enforcement, but specific employer penalty amounts have not been finalized. Monitor NEST and State Treasurer guidance.
PLAN DESIGN	Roth IRA with automatic enrollment, administered by the Nevada Treasury.

Official program: www.nvnest.com · Full guide: leadingretirement.com/state-retirement-mandates/nevada/

PHASING IN

States phasing in registration deadlines

The requirement exists and the calendar is still unfolding.

Virginia

PHASING IN

RetirePath Virginia

Virginia is the clearest example of the direction these programs move. RetirePath launched in 2023 for employers with 25 or more employees. As of July 1, 2026 the threshold is five, which multiplies the number of covered businesses in the Commonwealth several times over.

COVERED EMPLOYERS	Dropping from 25 employees to 5 employees effective July 1, 2026
DEADLINE	Ongoing registration for covered employers. The lower threshold brings a new population in as of July 1, 2026.
PENALTY	Up to $200 per eligible employee per year for employers that fail to register or certify after notice.
PLAN DESIGN	Roth IRA, auto-enrollment with a 30-day window for employees to customize or opt out.

Official program: www.retirepathva.com · Full guide: leadingretirement.com/state-retirement-mandates/virginia/

New Jersey

PHASING IN

RetireReady NJ

New Jersey finished its first wave in 2024 and then amended the law to reach employers with as few as 10 employees. The implementation calendar for that lower tier has not been published in full, which puts a large group of employers in a defined but not-yet-dated obligation.

COVERED EMPLOYERS	Reduced from 25 employees to 10 employees. The implementation schedule for the lower tier is expected during 2026.
DEADLINE	Initial rollouts for employers with 25 or more employees completed in 2024. Additional waves follow as the threshold drops.
PENALTY	Enforcement provisions apply under the statute. Updated schedules and amounts for the new tier are pending.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.retirereadynj.com · Full guide: leadingretirement.com/state-retirement-mandates/new-jersey/

New York

PHASING IN

New York Secure Choice

New York's registration waves are already closing. The 30-plus tier passed in March 2026, the 15 to 29 tier in May, and the smallest covered tier in July. For most covered New York employers, the deadline is behind them rather than ahead.

COVERED EMPLOYERS	10 or more employees and at least two years in business, with no qualified plan in the preceding two years
DEADLINE	Registration waves: 30 or more employees by March 18, 2026; 15 to 29 by May 15, 2026; 10 to 14 by July 15, 2026.
PENALTY	Enforcement and penalty detail flows from the statute and Secure Choice Board guidance. Amounts have not been published in the form other states use.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: www.ny.gov/programs/new-york-state-secure-choice-savings-program · Full guide: leadingretirement.com/state-retirement-mandates/new-york/

Rhode Island

PHASING IN

RISavers

RISavers launched in October 2025 and its first real deadline lands in October 2026 for employers with more than 100 employees. Smaller employers have another year or two, which makes Rhode Island one of the few states where an employer genuinely has planning time.

COVERED EMPLOYERS	5 or more employees
DEADLINE	Phased: more than 100 employees by October 15, 2026; 50 to 99 by October 15, 2027; 5 to 49 by October 15, 2028.
PENALTY	After a non-compliance notice, employers that fail to comply within 30 days may face a civil penalty of $250 per eligible employee under R.I. Gen. Laws § 35-23-15, enforced by the Office of the General Treasurer with the Department of Labor and Training.
PLAN DESIGN	Roth IRA with automatic enrollment.

Official program: risavers.com · Full guide: leadingretirement.com/state-retirement-mandates/rhode-island/

LAUNCHING

States enacted and preparing to launch

Nothing is required yet. The window to choose your own path is open.

Washington

LAUNCHING

Washington Saves, plus the voluntary Retirement Marketplace

Washington is in the window that matters most for planning. Washington Saves is enacted with a 2027 target, which means employers have roughly a year to decide whether they want to be enrolled into a state Roth IRA by default or arrive at the launch already sponsoring a plan of their own.

COVERED EMPLOYERS	To be set for Washington Saves. The Retirement Marketplace is open to all small employers on a voluntary basis.
DEADLINE	Washington Saves targets a 2027 launch. The Retirement Marketplace is available now.
PENALTY	None today. Auto-IRA enforcement detail will be issued closer to launch.
PLAN DESIGN	Washington Saves is legislated as an auto-IRA. The Retirement Marketplace lists verified private plans rather than administering one.

Official program: www.washingtonsaves.org · Full guide: leadingretirement.com/state-retirement-mandates/washington/

Hawaii

LAUNCHING

Hawaii Retirement Savings Program (HRSP)

Hawaii enacted its program in 2022 as an opt-in arrangement, then amended it in 2025 to the automatic enrollment with opt-out structure that every other state uses. That change matters more than it sounds: opt-in programs collect almost nobody, and auto-enrollment programs collect almost everybody.

COVERED EMPLOYERS	Employers that do not offer a qualified retirement plan. The program is not yet open for registration.
DEADLINE	Not yet open to employers as of mid-2026. Board-led implementation and multistate coordination are underway.
PENALTY	The statute provides for penalties of up to $5,000 per calendar year and includes a civil action provision. Operational enforcement detail is pending launch.
PLAN DESIGN	Amended in 2025 to move from opt-in to automatic enrollment with employee opt-out.

Official program: labor.hawaii.gov/hrsp · Full guide: leadingretirement.com/state-retirement-mandates/hawaii/

NOT ENFORCED

Enacted, published penalties, not currently enforced

One state sits in a category of its own, and describing it accurately matters more than simplifying it.

Minnesota

NOT ENFORCED

Minnesota Secure Choice

Minnesota needs to be described precisely, because the honest answer is not a clean yes or no. Minnesota Secure Choice became operational in January 2026, the statute sets registration waves by employer size, and the program publishes a graduated penalty schedule that ends at $500 per employee with no cap.

COVERED EMPLOYERS	5 or more employees, with registration phased by employer size
DEADLINE	Soft launch ran January 19 to March 30, 2026. Program materials set waves at 100+ by June 30, 2026; 50 to 99 by December 31, 2026; 25 to 49 by June 30, 2027; 10 to 24 by December 31, 2027; 5 to 9 by June 30, 2028.
PENALTY	The program's published schedule is graduated: $100 per employee (capped at $4,000), then $200 per employee (capped at $6,000), then $300 per employee, then $500 per employee with no cap. As of the LRS review, none of it is being assessed.
PLAN DESIGN	Roth IRA by default, with the option to contribute pre-tax.

Official program: mn.gov/securechoice · Full guide: leadingretirement.com/state-retirement-mandates/minnesota/

VOLUNTARY

States with voluntary programs and no employer requirement

No obligation in any of these five.

Massachusetts

VOLUNTARY

Massachusetts Defined Contribution CORE Plan

Massachusetts is the structural exception in this whole landscape. The CORE Plan is a multiple employer 401(k) rather than a payroll-deduction IRA, it is voluntary rather than mandated, and it is open only to nonprofits.

COVERED EMPLOYERS	Nonprofit organizations with up to 100 employees, expanded from a smaller cap in 2025
DEADLINE	None. Available now, and nonprofits opt in at any time.
PENALTY	None. The program is voluntary.
PLAN DESIGN	A state-facilitated multiple employer 401(k) plan, not an IRA. Once adopted, eligible employees receive a 60-day notice and are auto-enrolled unless they opt out.

Official program: www.mass.gov/core-plan · Full guide: leadingretirement.com/state-retirement-mandates/massachusetts/

Utah

VOLUNTARY

Utah voluntary retirement exchange (HB 250)

Utah passed HB 250 to create a voluntary exchange with a platform date of November 2, 2026. No Utah employer is required to do anything.

COVERED EMPLOYERS	Voluntary participation. No employer mandate.
DEADLINE	The platform carries a November 2, 2026 implementation date.
PENALTY	None. The program is voluntary.
PLAN DESIGN	A voluntary exchange arrangement rather than a state-run auto-IRA.

No public employer site yet · Full guide: leadingretirement.com/state-retirement-mandates/utah/

Mississippi

VOLUNTARY

Mississippi voluntary payroll-deduction IRA (HB 4073)

Mississippi enacted HB 4073 on April 8, 2026, creating a voluntary payroll-deduction IRA. Nothing is required of employers.

COVERED EMPLOYERS	Voluntary participation. No employer mandate.
DEADLINE	Enacted April 8, 2026. Implementation is in progress.
PENALTY	None. The program is voluntary.
PLAN DESIGN	A voluntary payroll-deduction IRA.

No public employer site yet · Full guide: leadingretirement.com/state-retirement-mandates/mississippi/

Missouri

VOLUNTARY

Show-Me MyRetirement Plan (HB 1732)

Missouri's Show-Me MyRetirement Plan is a voluntary multiple employer 401(k), authorized under HB 1732. Like Massachusetts, Missouri chose a 401(k) structure over an IRA, which means the vehicle can take employer contributions.

COVERED EMPLOYERS	Voluntary participation. No employer mandate.
DEADLINE	Implementation in progress following HB 1732.
PENALTY	None. The program is voluntary.
PLAN DESIGN	A voluntary multiple employer 401(k) plan rather than a state IRA.

No public employer site yet · Full guide: leadingretirement.com/state-retirement-mandates/missouri/

New Mexico

VOLUNTARY

New Mexico Work & $ave

New Mexico authorized Work & $ave as a voluntary marketplace, and the State Treasurer reports the program as inactive as of 2025. There is no employer registration to complete.

COVERED EMPLOYERS	Voluntary. No employer mandate.
DEADLINE	Implementation has been delayed. There is no active employer registration at this time.
PENALTY	None. The program is inactive and voluntary.
PLAN DESIGN	Established as a voluntary marketplace and IRA concept.

Official program: www.nmworkandsave.org · Full guide: leadingretirement.com/state-retirement-mandates/new-mexico/

NO REQUIREMENT TODAY

States with no retirement mandate

Twenty-nine states and the District of Columbia have no program requirement. That comes with one important qualifier: no mandate in your state does not mean no mandate for your business. If you pay an employee who works in a mandate state, you can be covered there.

Legislation under consideration (15 states)

Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Indiana, Iowa, Michigan, North Carolina, Pennsylvania, South Carolina, Tennessee, West Virginia, Wisconsin.

Bills introduced or moving without an enacted program. Watching this list is how you see the next Virginia coming.

No state program identified (14 jurisdictions)

District of Columbia, Idaho, Kansas, Kentucky, Louisiana, Montana, Nebraska, New Hampshire, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Wyoming.

No enacted program and no active legislation identified in the August 2026 review.

Thresholds have moved in one direction

Virginia went from 25 employees to five. New Jersey went from 25 to ten. Vermont went from five to two. California went from five to one. If you checked your state a year ago and concluded you were too small, that conclusion has a shelf life.

THE DECISION

State auto-IRA or a plan of your own

Employers usually frame this as compliance versus cost, and that framing loses money. Both paths satisfy the mandate. Only one produces a benefit employees value and a tax credit you can claim.

FEATURE	STATE AUTO-IRA PROGRAM	EMPLOYER-SPONSORED PLAN
Who runs it	The state, through a contracted administrator	You, with a third-party administrator and recordkeeper
Plan type	Payroll-deduction Roth IRA in almost every state	401(k), Safe Harbor 401(k), 403(b), SEP, SIMPLE, or a pooled plan
Contribution ceiling	IRA limits, a fraction of 401(k) limits	401(k) limits, several times higher
Employer contributions	Not permitted. You facilitate payroll and nothing else	Matching, profit sharing, and Safe Harbor contributions all available
Federal tax credits	None. There is no plan to claim credits against	Up to $5,000 a year in startup credits for three years, plus $500 a year for auto-enrollment
Design control	None. Defaults, investments, and features are set by the state	Eligibility, vesting, match formula, Roth and pre-tax options, loans
Fiduciary exposure	Minimal. The state carries plan-level responsibility	Real, and manageable with professional administration
Recruiting value	Low. Employees read it as a default savings account	High. A funded match is a benefit candidates compare offers on
Satisfies the mandate	Yes, by definition	Yes, in every mandate state reviewed. Several require the exemption to be filed

The federal tax credits that change the math

A state auto-IRA generates no tax credit because there is no plan to claim one against. Starting a qualifying plan does, under Internal Revenue Code section 45E as amended by SECURE 2.0.

- **Startup cost credit.** Employers with 1 to 50 employees can claim 100% of qualified startup costs, limited to the greater of $500 or the lesser of $250 per eligible non-highly compensated employee or $5,000, for the first credit year and the two years after. Employers with 51 to 100 employees claim 50% under the same limit.
- **Auto-enrollment credit.** $500 a year for three years for adding an eligible automatic contribution arrangement.
- **Employer contribution credit.** Up to $1,000 per employee, on a percentage that declines over five years, for contributions made for participants earning under the statutory threshold. Elective deferrals do not count.

- **How you claim it.** All of it goes on IRS Form 8881. Eligibility generally requires no more than 100 employees who received at least $5,000 in compensation in the prior year, and no plan covering substantially the same employees in the previous three tax years.

WORTH RUNNING BEFORE YOU DECIDE

For a small employer, three years of startup credits plus the auto-enrollment credit can cover a meaningful share of the cost of a real plan. Price both paths net of credits rather than gross, because gross pricing is what makes the state program look like the cheap option.

When the state program is the right call

Sometimes it is. If you have two or three employees, no capacity to contribute, thin administrative bandwidth, and no near-term hiring plan, registering with the state gets you compliant at close to zero cost and almost no fiduciary exposure. That is a legitimate answer.

The calculation changes when any of the following is true: you want to contribute, you are competing for staff, you operate in more than one mandate state, you have owners who want to save more than IRA limits allow, or you expect to grow past the thresholds anyway.

MULTI-STATE EMPLOYERS

One workforce, several mandates

Remote hiring means a 15-person company can easily be covered by three programs with three deadlines, three exemption filings, and three penalty schedules. One qualifying plan can satisfy all of them at once.

Which state's rule applies to a remote employee

Coverage generally follows where the employee works and is paid rather than where the company is incorporated. A Texas-headquartered business with one employee in Portland and two in Sacramento is not exempt because Texas has no program. It is looking at OregonSaves and CalSavers, both of which reach employers with a single eligible employee.

Headcount tests add a wrinkle, because states differ on whether they count your total workforce or only employees in that state. Verify the counting rule state by state rather than applying one answer everywhere.

A tracking approach that holds up

- [ ] **Keep a standing list of every state where you pay a W-2 employee**
  Re-check it whenever you hire remotely. This is the list that drives everything else.
- [ ] **Record which states require an affirmative exemption filing**
  Some accept the plan itself. Others need a certification. Calendar the renewals, because Oregon runs on a three-year cycle.
- [ ] **Re-run coverage annually**
  Several programs re-assess employers every year, so a business exempt last year on headcount or tenure can become covered this year without doing anything differently.
- [ ] **Keep registration confirmations and exemption certificates with your plan documents**
  Next to your Form 5500 filings, where the next person to look will find them.
- [ ] **Tie deductions to your payroll system rather than a manual process**
  Payroll integration removes most of the recurring error risk and most of the late-deposit exposure.

WHERE LRS FITS

Leading Retirement Solutions is a Seattle-based third-party administrator serving employers in all 50 states. We design and administer plans that satisfy state mandates, confirm whether an existing plan already qualifies, and track multi-state deadlines and exemption filings so you do not have to.

leadingretirement.com/contact

SOURCES

Where every figure came from

Every figure in this guide traces to a primary source: the official program site or administering agency for each state, and IRS or statutory text for every federal tax figure. No competitor sites, aggregators, or secondary summaries were used.

Federal tax and fiduciary sources

Internal Revenue Service	Instructions for Form 8881, Credit for Small Employer Pension Plan Startup Costs, Auto-Enrollment, and Military Spouse Participation www.irs.gov/forms-pubs/about-form-8881
Internal Revenue Service	Retirement Plans Startup Costs Tax Credit www.irs.gov/retirement-plans/retirement-plans-startup-costs-tax-credit
Internal Revenue Service	Publication 560, Retirement Plans for Small Business www.irs.gov/forms-pubs/about-publication-560
Cornell Law School, Legal Information Institute	26 U.S. Code § 45E, Small employer pension plan startup cost credit www.law.cornell.edu/uscode/text/26/45E
U.S. Department of Labor, EBSA	Meeting Your Fiduciary Responsibilities www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/meeting-your-fiduciary-responsibilities
Georgetown University, Center for Retirement Initiatives	State Program Performance Data and State Initiatives Tracker cri.georgetown.edu/states/state-initiatives/

State program sources

STATE	ADMINISTERING AGENCY	OFFICIAL SOURCE
California	CalSavers Retirement Savings Board, Office of the California State Treasurer	www.calsavers.com
Oregon	Oregon Savings Network, Office of the Oregon State Treasurer	www.oregonsaves.com
Illinois	Office of the Illinois State Treasurer	www.ilsecurechoice.com
Connecticut	Office of the Connecticut State Comptroller	www.myctsavings.com
Maryland	Maryland Small Business Retirement Savings Program Board	www.marylandsaves.com
Colorado	Colorado Department of the Treasury, Secure Savings Program Board	coloradosecuresavings.com

STATE	ADMINISTERING AGENCY	OFFICIAL SOURCE
Maine	Maine Retirement Savings Board, Office of the State Treasurer	www.meritsaves.com
Delaware	Office of the Delaware State Treasurer	www.delawareearns.com
Vermont	Office of the Vermont State Treasurer	www.vtsaves.com
Nevada	Office of the Nevada State Treasurer	www.nvnest.com
Virginia	Commonwealth Savers, formerly Virginia529	www.retirepathva.com
New Jersey	New Jersey Secure Choice Savings Board, Department of the Treasury	www.retirereadynj.com
New York	New York State Secure Choice Savings Program Board	www.ny.gov/programs/new-york-state-secure-choice-savings-program
Rhode Island	Office of the Rhode Island General Treasurer	risavers.com
Washington	Washington State Department of Commerce; Retirement Marketplace via the Department of Financial Institutions	www.washingtonsaves.org
Hawaii	Hawaii Department of Labor and Industrial Relations	labor.hawaii.gov/hrsp
Minnesota	Minnesota Secure Choice Retirement Program Board	mn.gov/securechoice
Massachusetts	Office of the Massachusetts State Treasurer	www.mass.gov/core-plan
Utah	Utah State Treasurer, under HB 250	No public employer site yet
Mississippi	Mississippi State Treasurer, under HB 4073	No public employer site yet
Missouri	Missouri State Treasurer, under HB 1732	No public employer site yet
New Mexico	Office of the New Mexico State Treasurer	www.nmworkandsave.org

Statutes and legislation cited

- **Internal Revenue Code § 45E.** Small employer pension plan startup cost credit, as amended by the SECURE 2.0 Act of 2022.
- **R.I. Gen. Laws § 35-23-15.** Rhode Island civil penalty of $250 per eligible employee following a non-compliance notice and a 30-day cure period.
- **Utah HB 250 (2025).** Establishes Utah's voluntary retirement exchange with a November 2, 2026 platform date.
- **Mississippi HB 4073 (2026).** Enacted April 8, 2026, creating a voluntary payroll-deduction IRA.
- **Missouri HB 1732.** Authorizes the Show-Me MyRetirement Plan as a voluntary multiple employer 401(k).

HOW THIS GUIDE IS MAINTAINED

The dataset behind this guide is re-verified quarterly against every source listed above, with interim updates whenever a state changes a threshold, deadline, or penalty. Where a state has authorized enforcement without publishing amounts, this guide says so rather than estimating.

Reviewed August 2026. Next scheduled review: November 2026.