

KNOW THE LANDSCAPE

THE POTENTIAL IMPACT OF STATE-MANDATED RETIREMENT PLANS

Small business owners are accustomed to calling the shots – and with good reason. Many built their businesses from scratch and achieved success through dedication, determination, and hard work.

So why would they want politicians dictating how they administer a retirement plan for their employees? It's happening in more and more states, where there is legislation to either establish new programs or study options to require private companies without a retirement plan to join a state-facilitated one.

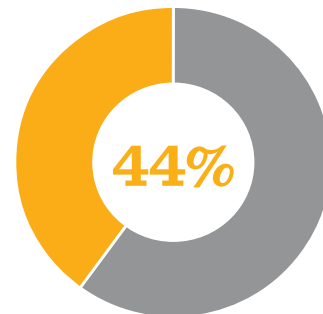
THERE IS A NEED FOR MORE ACCESS TO RETIREMENT SAVINGS. CONSIDER:

APPROXIMATELY

57.3 MILLION

**AMERICAN WORKERS
DON'T HAVE ACCESS TO
AN EMPLOYER-SPONSORED
RETIREMENT PLAN¹**

LESS THAN HALF



of small employers (1 to 99 employees) provide a 401(k) or similar plan to their employees.²

These are among the reasons governments are taking action. As of January 2022, 14 states and two cities have passed legislation for private-sector workers. Of those, six are up and running³. But small business owners don't have to accept the plan created by their legislators.

THERE ARE OPTIONS

Employers can offer a retirement plan without government intervention, and may be able to help employees achieve a brighter retirement. In addition to defined benefit and 403(b) plans, several types of defined contribution plans are available, including:

- Traditional 401(k)
- Simplified employee pension plan (SEP-IRA)
- Savings incentive match plan for employees (SIMPLE 401(k) or IRA)
- Multiple employer plan (MEP)
- Pooled employer plan (PEP)
- Pooled plan arrangement (e.g., *Group Plan Solution*SM or *Retirement Plan Exchange*[®] solution)



HOW STATE-RUN PLANS COMPARE TO PRIVATE PLANS:

	STATE-RUN IRA	WORKPLACE 401(K)
IRS CONTRIBUTION LIMIT	\$6,000	\$20,500
MATCHING CONTRIBUTION OPTION	No	Yes
VESTING REQUIREMENTS	No	Yes
FINANCIAL ADVISOR SUPPORT	No	Yes
EMPLOYER ADMINISTRATIVE TASKS	Yes	Yes/No

Is your state or city **among the 16** that have passed legislation requiring employers to offer a retirement plan or join a state-sponsored program? Or, is it one of the **more than 30** states that have made moves recently toward establishing a state-facilitated retirement savings programs?

CURRENT STATE-SPONSORED PLANS³

STATE	PLAN TYPE	STATE	PLAN TYPE
California	Auto-IRA	New Mexico	Hybrid
Colorado	Auto-IRA	New York	Voluntary IRA
Connecticut	Auto-IRA	New York City	Auto-IRA
Illinois	Auto-IRA	Oregon	Auto-IRA
Maine	Auto-IRA	Seattle	Auto-IRA
Maryland	Auto-IRA	Vermont	Multiple employer plan
Massachusetts	Multiple employer plan	Virginia	Auto-IRA
New Jersey	Auto-IRA	Washington	Marketplace

■ Active Programs

STATES CONSIDERING LEGISLATIVE PROPOSALS³

STATE		
Arizona	Michigan	Oklahoma
Arkansas	Minnesota	Pennsylvania
Delaware	Mississippi	Rhode Island
Georgia	Missouri	South Carolina
Hawaii	Montana	Tennessee
Idaho	Nebraska	Texas
Indiana	Nevada	Utah
Iowa	New Hampshire	West Virginia
Kansas	North Carolina	Wisconsin
Kentucky	North Dakota	Wyoming
Louisiana	Ohio	

Explore the Pinnacle Employee Services, LLC 401(k) Plan today.

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 **Visit:** transamerica.com

¹"What Are the Potential Benefits of Universal Access to Retirement Savings?", Georgetown University Center for Retirement Initiatives, December 2020

²"Navigating the Pandemic: A Survey of U.S. Employers," nonprofit Transamerica Center for Retirement Studies, June, 2021

³Georgetown University Center for Retirement Initiatives, States - Georgetown Center for Retirement Initiatives, [States - Georgetown Center for Retirement Initiatives](#)

Before adopting any plan you should carefully consider all of the benefits, risks, and costs associated with a plan. Information regarding retirement plans is general and is not intended as legal or tax advice. Retirement plans are complex, and the federal and state laws or regulations on which they are based vary for each type of plan and are subject to change. In addition, some products, investment vehicles, and services may not be available or appropriate in all workplace retirement plans. Plan sponsors and plan administrators may wish to seek the advice of legal counsel or a tax professional to address their specific situations.

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For Pooled Employer Plans: Pooled employer plans (PEPs) are a new type of multiple employer plan for which the Department of Labor (DOL) and IRS guidance is still pending in a number of areas. An employer participating in the plan retains certain fiduciary responsibilities, including responsibility for retaining and monitoring the Pooled Plan Provider (PPP), for determining the reasonableness of its fees, and for periodically reviewing the plan as a whole. Among other responsibilities, the PPP acts as the 3(16) plan fiduciary. Transamerica does not act as a 3(16) plan fiduciary.

For Group Plan Solution/Retirement Plan Exchange solution: Group Plan Solution/Retirement Plan Exchange solution is not a multiple employer plan (MEP). Unlike a MEP, certain plan qualification and ERISA requirements are applied at the individual plan level. An employer participating in the plan retains certain fiduciary responsibilities, including responsibility for retaining and monitoring the 3(16) plan administrator, for determining the reasonableness of its fees, and for periodically reviewing the plan as a whole. Transamerica does not act as a 3(16) plan fiduciary.