Closing the Retirement Savings Gap:

Early Results from the State Retirement Savings Programs

Rayna Stoycheva, PhD

Executive Summary

Gaps in employer retirement coverage continue to persist and reinforce existing income and wealth inequalities. Recent federal legislation (SECURE and SECURE 2.0) and state-facilitated retirement savings programs have been put in place to expand access to employer plans. As of February 2025, 20 states have enacted a state retirement savings program, with the majority of these being Auto-IRA programs. Early results indicate that they do increase access and have already accumulated almost $2 billion in assets. Studies also indicate that the state mandates have resulted in new employer-provided retirement savings plans. This policy brief reviews the most recent state programs and early results from their implementation, and provides policy recommendations.

March 2025, Number 25-1

The Harkin Institute | Drake University

For more information about the report, contact:

Rayna Stoycheva, PhD
Director of Retirement Security Policy

The Harkin Institute
2800 University Ave
Drake University
Des Moines, Iowa 50311
Phone: 515-271-3222
Email: rayna.stoycheva@drake.edu

The Harkin Institute Contributors:

Alex Bates
Undergraduate Communications Assistant
Nicole Frazier
Graduate Research Assistant, Retirement Security Policy
Lila Johnson
Graphic Design and Digital Accessibility Specialist
Kathryn Kuckelman
Communications Manager
Rayna Stoycheva
Director of Retirement Security Policy

Table of Contents

Introduction

Americans rely on a mix of Social Security benefits, employer retirement plan benefits, and earnings to support themselves during their retirement years. Although employer plans are considered the second tier of the retirement system, lack of access or inadequate coverage through employers has persisted despite policy interventions intended to increase access and participation. In the private sector, three out of ten employees do not have access to a retirement savings plan, and slightly more than half of all workers participate in one (Figures 1-3). There are significant variations among employees based on employment type, income, occupation, and firm size. Notably, only half of the part-time labor force has access to an employer retirement plan, compared to eighty percent for full-time employees. Low-income earners and those employed by small businesses (1 to 99 workers) are the least likely to have access and to participate in an employer plan[1].

Figures 1-3 Key

Figure 1: Access, Participation and Take-up Rates for All, Full Time and Part Time Workers

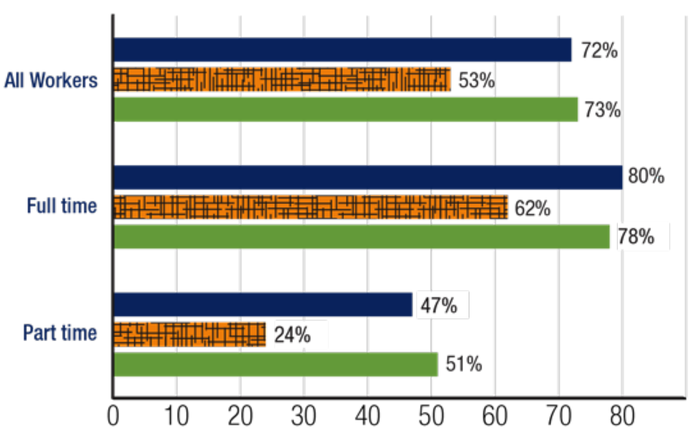


Figure 2: Access, Participation and Take-up Rates by Average Wage

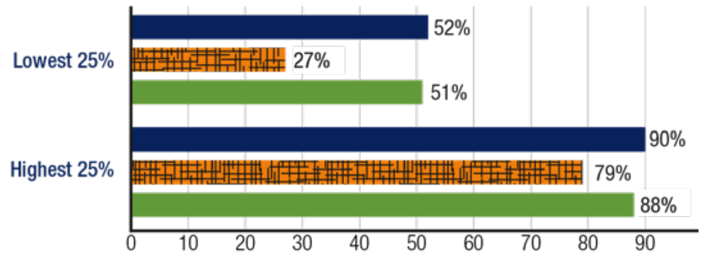
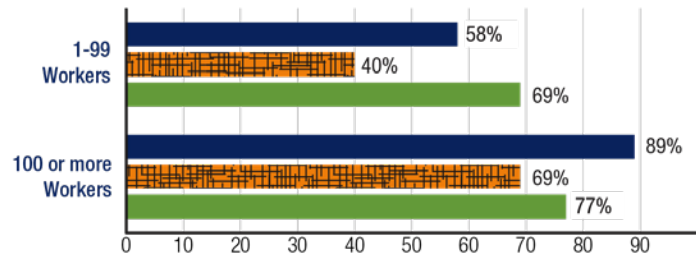


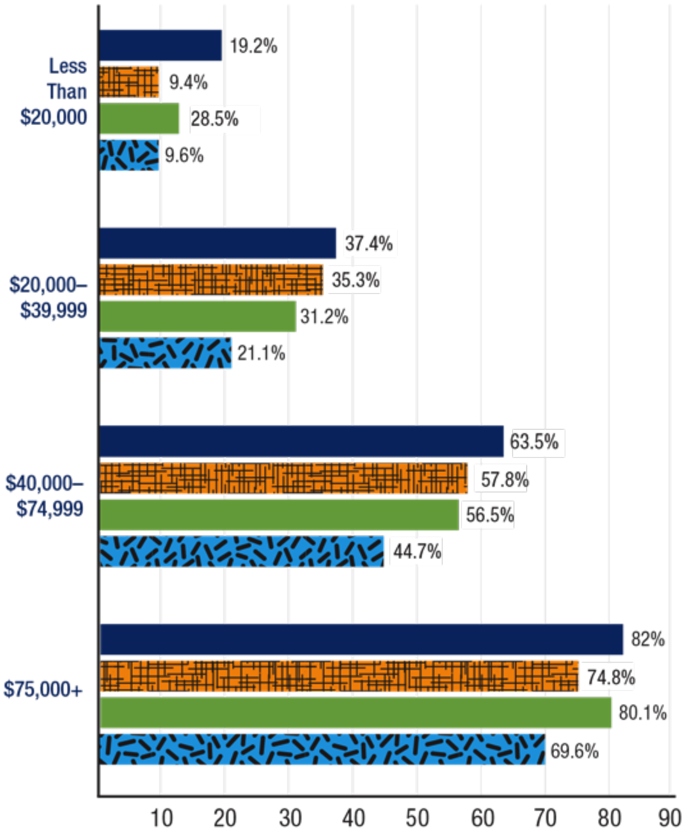
Figure 3: Access, Participation and Take-up rates By Firm Size



These trends correlate with other socio-economic characteristics, including race, education, and gender. Figure 4 illustrates the low participation rates in the bottom of the income distribution. On average, only ten percent of nonwhite workers who earn less than $20,000 participate in an employer plan, and about one-third of all workers (excluding Hispanic workers) in the next income bracket ($20,000 – $40,000). Even when controlling for income, gaps in participation remain for different race and ethnicity groups. Hispanics have the lowest participation rates across the income distribution. Black workers have a smaller gap relative to their white counterparts, except at the very bottom of the income distribution. EBRI's analysis of the 2023 employer coverage also shows that participation increases with age, with the lowest participation in the early to mid-twenties, and then it levels off by the mid-thirties. At the peak of the participation distribution, there is about a ten percentage-point difference between white and Black workers, and 20 to 30 percentage-point difference between white and Hispanic workers (Figure 5).

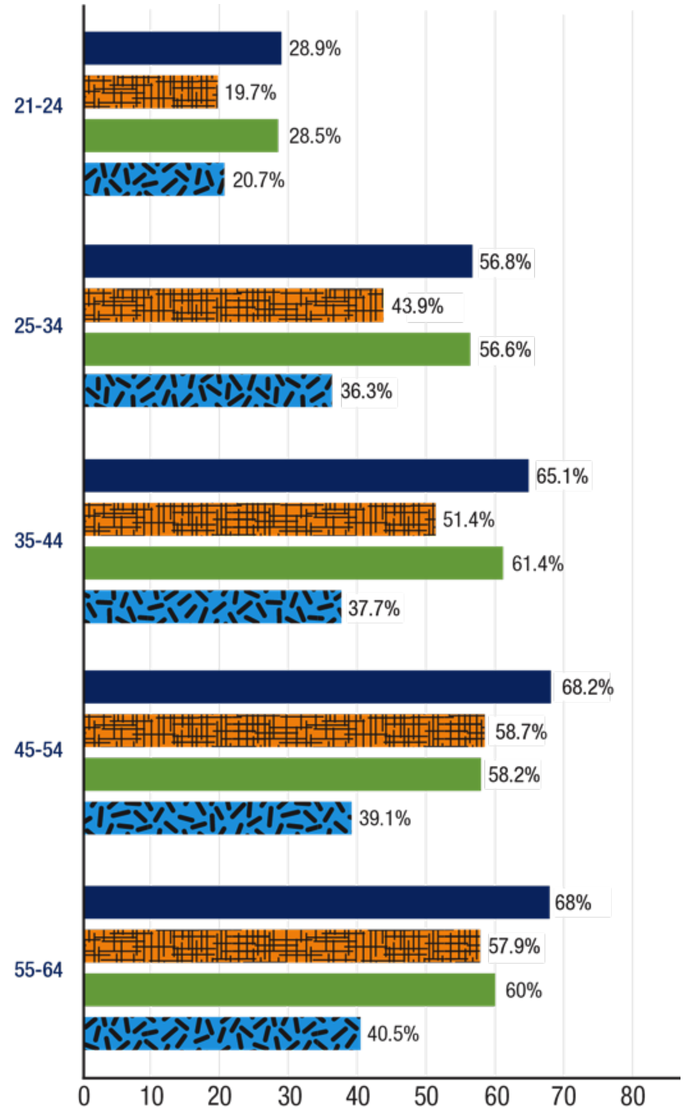
Figures 4-5 Key

Figure 4: Percentage of Wage and Salary Workers Ages 21-64 Who Participated in an Employment-Based Retirement Plan, by Race/ Ethnicity and Earnings, 2023



With decades of employer-based retirement coverage, studies on employee participation and accumulation of assets have established that automatic enrollment and automatic re-enrollment after a period of time, or when employed in a new job, are key to increasing take-up among employees. Additionally, automatic escalation of contributions up to a set maximum has been identified as an effective strategy to increase contributions to retirement savings in a sustainable way. Federal legislation through SECURE and SECURE 2.0 created incentives for employers to improve access to retirement savings plans, and also required new plans to auto-enroll employees in the employer plan effective January 1, 2025. The guidelines further specify that the default contribution rate should be between 3 percent and 10 percent and if the default is below 10 percent, auto-escalation of 1 percent per year is required until contributions reach 10 percent to 15 percent of pay[2].

Figure 5: Percentage of Wage and Salary Workers Ages 21-64 Who Participated in an Employment-Based Retirement Plan, by Race/ Ethnicity and Age, 2023



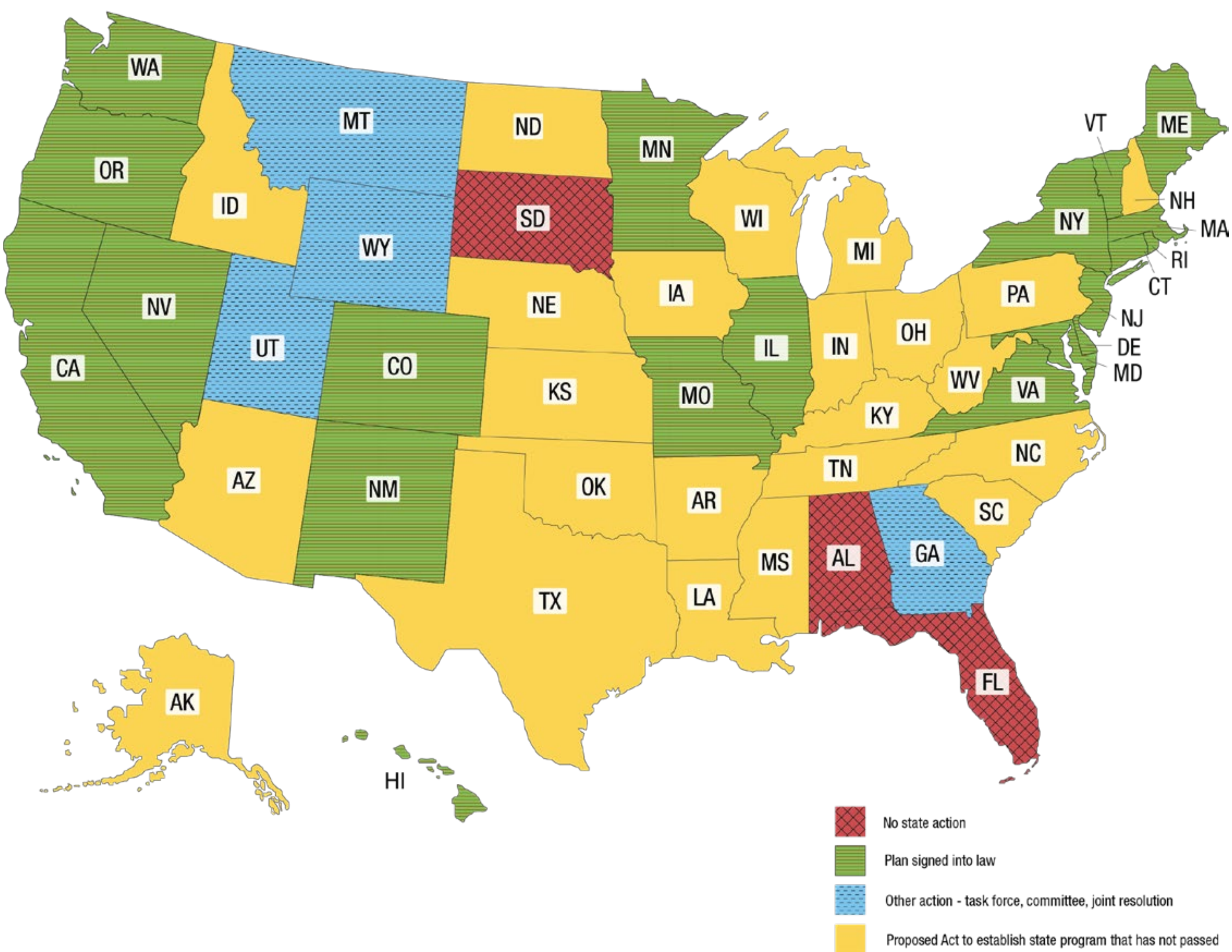
Find the table version of the information in figures 4 and 5 in the "Figure Data Tables" page in the appendix.

Parallel to federal efforts, almost every state in the past decade has either considered or enacted legislation to establish state-facilitated retirement savings programs that provide universal access through employer payroll deduction. The majority of these programs are set up as Roth IRAs with automatic enrollment and annual auto escalation, with the option to opt out for the employee. Employers are mandated to enroll their employees, with the exception of the smallest businesses usually (under five employees). Employers are not required to contribute to the plans. 2025 marks a decade since the first state Auto-IRA program, OregonSaves, was enacted, followed by Illinois, California, and a dozen more states recently. These programs have accumulated almost $2 billion in assets as of February 2025[3], and have the potential to supplement Social Security income for low to middle income households without access to an employer retirement savings plan. This policy brief will review recent legislative updates and early results from these programs, and discuss policy recommendations going forward.

Legislative Updates, State Partnerships, and Key Features of the Programs

Interest in implementing state-facilitated retirement savings programs has dramatically increased. According to a 2020 survey of over 1,200 individuals ranging in age, demographics, and income[4], over 72 percent of Americans agree that "state-facilitated retirement programs are a good idea." With growing concerns for the future of Social Security and the increase in life expectancy within the American population, further interest in retirement security from individual states has surged. As of February 2025, state-facilitated retirement program implementation has expanded from fourteen states in 2022 to twenty states, as illustrated with the map in Figure 6. Introduction of related legislation has also seen an influx, with over twenty-three states considering new programs and four states researching implications to their states through joint resolutions or task forces. Although most states have either implemented, introduced, or are actively researching one or more of these programs, three states have not taken any action—Alabama, Florida, and South Dakota.

Figure 6: 2025 Legislative Map



Along with this widespread awareness and action towards state-facilitated retirement programs, several smaller states have partnered with other states in joint initiatives, further reiterating the importance of these programs and looking for opportunities to provide these programs at a low cost to their residents. As of February 2025, there are two state partnerships. The Colorado Partnership for a Dignified Retirement includes Colorado, Maine, Delaware, and Vermont. Additionally, Connecticut and Rhode Island will initiate a pilot program in Spring 2025. The partnership between the New Mexico Work and Save Program and the Colorado Savings Program has pending implementation. All of these collaborations are impactful, providing a potential framework for states that may lack resources or desire a more streamlined approach. State partnerships can reduce startup costs, administrative costs, and investment fees, and can speed up the launch of new programs[5].

The many options of state-facilitated retirement programs provide states with tools to streamline and personalize facilitation to their individual constituents' needs. Moreover, these programs help to encourage small business involvement and provide access to employees whose employers do not offer retirement programs. Currently, four major options have been introduced or implemented—the Auto-IRA, Multiple Employer Plan, Retirement Marketplace, and Voluntary Payroll Deduction. The two primary program administrators for state Auto-IRA programs are Vestwell and Ascensus. Table 1 provides detailed information about each enacted program, including enrollment deadlines for employers, contributions, and other features.

Sixteen states have enacted Auto-IRA programs, and fifteen states have proposed legislation to adopt the Auto-IRA. The Auto-IRA allows for automatic enrollment for employees, deducting contributions from each paycheck and depositing them into a state-facilitated retirement savings account. The majority of states currently exempt the smallest employers, and mandate coverage only for businesses with five or more employees, but several states have extended the requirement to all employers (California, Oregon, Maryland, and Washington). Auto-IRA programs have default contribution rates generally ranging from 3-5 percent, transferability of the Auto-IRA between jobs, and an opt-out option for employees. About half of the programs also provide automatic annual increases in contributions up to a set limit - 8 to 10 percent. There are two forms of Auto-IRAs—Roth and Traditional, with most states choosing the Roth option. Roth IRAs include after-tax contributions, employee penalty-free withdrawals, and transferability between jobs. In contrast, Traditional IRAs allow for pre-tax contributions that are then subject to penalties upon withdrawal.

The Voluntary Payroll Deduction state-facilitated retirement program shares similarities to the Auto-IRA in many respects. However, employer participation in the program is completely voluntary, resulting in less incentive for employer-employee participation. Six states have introduced or implemented this program, including New Mexico's combination of the Voluntary Payroll Deduction and Retirement Marketplace programs. Notably, Hawaii is the only state that has specifically implemented a Voluntary Auto-IRA program.

As of March 2025, five states have introduced or already implemented legislation for the Multiple-Employer 401(k), also known as MEP, state-facilitated retirement program, including Massachusetts, Missouri, New Hampshire, South Carolina, and Arkansas. These programs feature defined-contribution plans that allow for qualified employers or employees to voluntarily contribute to individual accounts. When an employer chooses to participate, the employees are automatically enrolled in a 401(K) program unless they opt out. This setup allows for multiple employers to join, lowering administrative costs.

The Retirement Marketplace is another type of state-facilitated retirement program. As of this publication, Nebraska has introduced legislation, while New Mexico has enacted a combination of the Retirement Marketplace and Voluntary Payroll Deduction programs. The Retirement Marketplace features a state-verified central location that lists retirement savings programs meeting state-eligibility requirements. These programs are available for voluntary participation and individual choice based on the centralized data. Although this program showcases many options in a centralized location, it provides limited incentive for employers and employees to enroll.

Several states have made amendments to existing state-facilitated retirement programs or transitioned from less popular retirement programs to the Auto-IRA framework. Several states have amended their requirements for the firm size that would require employers to automatically enroll in the program. For instance, in California, the requirement for employers to be automatically enrolled in the state's Auto-IRA program changed from five or more employees to employers with at least one employee, effective December 31, 2025. Vermont recently transitioned from an MEP program to an Auto-IRA and made accompanying changes, including a default contribution rate of 5 percent with auto-escalation of 1 percent per year to a maximum of 8 percent for employees.

Newly enacted programs are set to begin enrollment in the near future. For instance, Washington state's Washington Saves program is expected to begin enrollment in 2027, while Rhode Island has developed an enrollment program that will begin with enrollment mandates for employers with one hundred or more employees in 2025, and by 2027, will mandate for automatic enrollment for employers with five or more employees.

The Effect of State Programs on Access, Accumulation, and Retirement Security

A decade has passed since the first state program, OregonSaves, was introduced. While the data is still limited, several studies have used data from OregonSaves to determine the effect of an Auto-IRA program on participation, accumulation, and the potential to improve retirement security through plans facilitated with a payroll deduction. Quinby et al. (2020) find that participation rates are between half to two-thirds of eligible employees. Early withdrawals from the accounts are consistent with other retirement savings plans, with 20 percent making at least one withdrawal, and an average withdrawal of $1,000[6]. Chalmers et al. (2024) find that the effective contribution rate for active accounts with OregonSaves is 4.7 percent and that employees are less likely to opt out of the program if they were hired after the program was implemented[7].

The default contribution for OregonSaves is 5 percent with 1 percent annual auto-escalation, so the early evidence suggests that employees who do not opt-out stay with the default contribution rate. Participation and accumulation are particularly challenging for the segment of the labor force that frequently changes employers. Both contributions and withdrawals fluctuate significantly with turnover.

This literature also notes that a Roth IRA provides more liquid savings than a traditional 401(k). These savings can be used for emergency expenses or making ends meet in between jobs. It shows evidence that withdrawals correlate with job changes, although some higher-income individuals also withdraw money from the accounts. To explore further this question, a 2024 survey of low to moderate income workers sought to understand whether they view the Roth IRA accounts as an emergency savings vehicle. It found that most workers did not plan to use the retirement savings accounts for emergency expenses and respondents were interested in saving more for retirement. Additionally, respondents were not aware that the Roth IRA did not have any penalties for early withdrawals[8]. While about 1 in 5 savers withdraw money from their plans, employers have also considered the need for emergency savings accounts. To facilitate this, a few of the state programs include now an emergency savings component that allows individuals to withdraw $1,000 for this purpose, with subsequent contributions replenishing the emergency fund first.

With the full implementation of programs in Oregon, California, and Illinois, several studies have also examined the effect of the state mandates on the probability of being offered an employer-sponsored retirement plan (ESRP), and the overall market for retirement plans. Early results indicate that in states with the mandates, employers created new plans in order to comply with the state requirements[9]. This is contrary to initial concerns that employers may terminate their plans once a state-facilitated plan is available. These new ESRPs not only increase access but potentially could generate more savings if employers choose to provide a match in the plans that they open. Further studies are still needed to confirm these early results, as more programs are fully implemented in other states. While some of the early results are encouraging, it is important to understand how job turnover, early withdrawals, income constraints, and new ESRP creation interact to strengthen the accumulation of retirement savings.

Discussion and Policy Recommendations

The state-facilitated retirement savings programs were designed with features demonstrated to be effective in increasing retirement access and accumulation. Auto enrollment and auto escalation are key to those goals, as well as the long-term cost-savings through scale that lower the fees on these plans. This potential is demonstrated with some of the early evidence that is emerging as these programs enroll all eligible employees. As these programs expand, researchers will have better data to assess their success. In comparison, other countries have employed a mix of strategies to increase retirement savings through employers including government-sponsored accounts, mandatory automatic enrollment, and financial incentives for employers and employees[10]. New Zealand and the United Kingdom have national government-sponsored plans that give employers access to a low-cost program. Both of these programs have automatic enrollment and require employer contributions to the plan. Presently, the state Auto-IRA programs do not allow employer contributions to the plan, which impacts asset accumulation. To the extent that employers are willing to contribute to these accounts, the state programs preclude this as they are currently enacted. However, employers have the option to create their own plan and provide matching employer contributions, as suggested by some of the early evidence.

International comparisons also show that other countries subsidize retirement savings through a variety of mechanisms, including broader subsidies and more targeted subsidies. For pre-tax retirement savings plans such as 401(k) and 403(b), the United States provides tax incentives for contributions up to a certain limit. Additionally, targeted subsidies for low to middle income earners are available through the Saver's Credit which currently refunds a percentage of retirement contributions as a tax credit. The Saver's Credit is not available to tax payers who do not owe any taxes. The SECURE 2.0 Act changed this incentive to a Saver's Match, which will be effective in 2027. The Saver's Match is a federal matching contribution to a retirement savings account based on income, targeting low to middle-income earners. The federal government will match up to 50 percent of retirement plan contributions, with a maximum of $1,000 per year.

As the United States works on strategies to improve retirement savings among lower to middle income households, there are concerns that asset limits for government programs create disincentives to save for retirement. Specifically, Medicaid has a very outdated and stringent asset limit - $2,000 per individual/ $3,000 for a couple. Other public benefit programs, such as the Supplemental Assistance Nutrition Program (SNAP) also have asset limits, which is particularly concerning among lower income workers, who may be eligible for these programs. The asset limits vary by state and exclude some retirement assets, but not IRA accounts[11]. Even though lower income employees may contribute small amounts to their retirement savings plan, if they start early and are continuously enrolled throughout their employment, they could accumulate meaningful balances that would make them ineligible for short-term public assistance programs[12]. To require drawdowns of these long-term savings in order to qualify for a temporary public benefit program goes against all the work that is being done to improve retirement security. States and the federal government should align their asset limits with the goals of increasing retirement savings through employer and state-facilitated plans. The best solution to this concern would be to fully exclude retirement savings plans from the asset limits.

As we enter the second decade of state-facilitated retirement programs, there are opportunities to study more extensively their impact on access and accumulation, and their interaction with the private market for retirement savings and other government programs. The gaps in retirement plan coverage and wealth accumulation have been very persistent and difficult to address without a more universal retirement savings program. In the absence of a national program, the state programs are one tool to address these challenges, as they expand access to all employers, and potentially encourage employers to provide their own retirement savings plan.

Endnotes

[1] Bureau of Labor Statistics. 2024. Employee Benefits in the United States – March 2024.

[2] SECURE Act 2.0 Auto-Enrollment Mandate Deadline: What Business Should Know. August 2024

[3] Georgetown Center for Retirement Initiatives. State Program Performance Data. Accessed March 12, 2025.

[4] Doonan, Dan and Kelly Kenneally. 2021 "Americans' Views of State-Facilitated Retirement Programs". National Institute on Retirement Security Issue Brief

[5] Antonelli, Angela and Emily Gorny. 2024. The Case for Multi-State Collaboration: How State-Facilitated Retirement Savings Programs are Beginning to Design and Evaluate Partnership Models. Center for Retirement Initiatives at Georgetown University.

[6] Quinby, Laura D., Alicia H. Munnell, Wenliang Hou, Anek Belbase, Geoffrey T. Sanzenbacher. 2020. Participation and Pre-Retirement Withdrawals in Oregon's Auto-IRA. The Journal of Retirement, Volume 8, Issue 1.

[7] Chalmers, John, Olivia S. Mitchell, Jonathan Reuter, and Mingli Zhong. 2024. Will State-Based Retirement Savings Plans Boost Retirement Saving? New Evidence from OregonSaves.

[8] Liu, Siyan and Laura D. Quinby. 2024. Would Auto-IRAs Affect How Low-Income Households Cope with Emergency Expenses. https://crr.bc.edu/would-auto-iras-affect-how-low-income-households-cope-with-emergency-expenses/Working Paper 2024-11. Center for Retirement Research at Boston College.

[9] Bloomfield, Adam, Lucas Goodman, Manita Rao, and Sita Slavov. 2024. Why Do Employers Establish Retirement Savings Plans? Evidence from State "Auto-IRA" Policies. Center for Retirement Initiatives Working Paper 2024-03.

[10] GAO. 2023. Retirement Account Disparities Have Increased by Income and Persisted by Race Over Time. GAO-23-105342

[11] Prosperity Now Scorecard. Asset Limits in Public Benefit Programs – 2022. Accessed on March 19, 2025.

[12] Arapakis, Karolos and Laura D. Quinby. Will Auto-IRA Programs Affect Medicaid Enrollment. Issue in Brief 24-24. Center for Retirement Research at Boston College.

Reference List for State Legislation

About MERIT. (2024). Retrieved from Maine Retirement Investment Trust (MERIT): https://meritsaves.org

Anderson, S. (2018). SF0116-Retirement Income Security Task Force-2. Retrieved from The State of Wyoming Legislature: Legislation 2018: https://www.wyoleg.gov/Legislation/2018/SF0116

Ballentine, R., Huggins, Henegan, Williams, S., McDaniel, Brawley, . . . Bernstein. (2020). South Carolina Legislature. Retrieved from Session 123 H 4259: https://www.scstatehouse.gov/billsearch.php?billnumbers=4258&session=123&summary=B&headerfooter=1

Carruthers, R. (2024, June 12). HB 501 . Retrieved from Ohio Legislative Service Commission: https://www.legislature.ohio.gov/download?key=23001&format=pdf

Commonwealth Savers Plan. (2024). A New Way to Save for Retirement. Retrieved from RetirePath VA: https://www.retirepathva.com

Davis, S., Campsen, Senn, Shealy, Young, & Fanning. (2020). Session 123 S 1088. Retrieved from South Carolina Legislature: https://www.scstatehouse.gov/billsearch.php?billnumbers=1088&session=123&summary=B

Empower Retirement, LLC. (2023). Advantages of the Massachusetts CORE Plan. Retrieved from CORE: Connecting Organizations to Retirement: https://www.empower.com/client/mass/employer/

Fillmore, S. L. (2023). S.J.R. 9 Joint Rules Resolution-Amendments to Joint Rules. Retrieved from Utah State Legislature: https://le.utah.gov/~2023/bills/static/SJR009.html

Hesselbein, S., Agard, Carpenter, L., Johnson, L., Roys, & Speitzer. (2023). 2023 Senate Bill 1076. Retrieved from Wisconsin State Legislature: https://docs.legis.wisconsin.gov/2023/related/proposals/sb1076

House Executive Departments and Administration. (2018). HB1767. Retrieved from General Court of New Hampshire-Bill Status System: https://gencourt.state.nh.us/bill_status/legacy/bs2016/bill_status.aspx?lsr=2529&sy=2018&sortoption=&txtsessionyear=2018&txtbillnumber=HB1767

HR Works. (2024, July 09). Nevada Employee Trust Savings Progam (NEST). Retrieved from Industry Update: https://hrworks-inc.com/industry-update/nevada-employee-trust-savings-program-nest/#:~:text=On%20June%2013%2C%202024%2C%20Nevada,launch%20on%20July%201%2C%202025

Kallman, S., Lombardi, F., Ruggerio, Murray, Cano, Acosta, . . . Bissailon. (2024, January). 2024-S 2045 As Amended. Retrieved from State of Rhode Island: https://webserver.rilegislature.gov/BillText/BillText24/SenateText24/S2045aa.pdf

Kumar, & Bailey. (2020). HB 2701. Retrieved from Tennessee General Assembly: https://wapp.capitol.tn.gov/apps/Billinfo/default.aspx?BillNumber=HB2701&ga=111

Lees, L. (2021, March 24). Blog: State-Sponsored Retirement Savings Legislation Introduced in Arkansas. Retrieved from National Conference on Public Employee Retirement Systems: https://www.ncpers.org/blog_home.asp?display=106#:~:text=The%20bill%20would%20establish%20a,to%20manage%20the%20accumulated%20funds

LegiScan. (2015). ND HB1200. Retrieved from North Dakota House Bill 1200: https://legiscan.com/ND/bill/HB1200/2015

LegiScan. (2023). MO HB155. Retrieved from Bill Track 50: https://www.billtrack50.com/billdetail/1499156

LegiScan. (2023). MS HB204. Retrieved from Bill Track 50: https://www.billtrack50.com/billdetail/1507135

LegiScan. (2023). NV SB305. Retrieved from NV State Legislature: https://legiscan.com/NV/bill/SB305/2023

LegiScan. (2024, April 16). IA SF2232. Retrieved from Bill Track 50: https://www.billtrack50.com/billdetail/1698086

LegiScan. (n.d.). AR HB 1349. Retrieved from Bill Track 50: https://www.billtrack50.com/billdetail/1295080

Lekel, J. (2023, April 05). Legislation: North Carolina Work and Save on the Table. Retrieved from American Society of Pension Professionals & Actuaries: https://www.asppa-net.org/news/2023/4/north-carolina-work-and-save-table/

Lekel, J. (2024, May 10). Alaska Work and Save Still on the Table. Retrieved from American Society of Pension Professionals & Actuaries: https://www.asppa-net.org/news/2024/5/alaska-work-and-save-still-table/#:~:text=SB%20135%20provides%20that%20an,an%20individual%20retirement%20savings%20account.

Magno, C. (2024). Insight: RetireReady New Jersey Savings Program. Retrieved from ADP Resource Center: https://www.adp.com/resources/articles-and-insights/articles/r/retirereadynj.aspx

MarylandSaves Leadership Team. (2022). Program Details. Retrieved from Maryland $aves: https://www.marylandsaves.org

Menendez, S. (2021). SB 1537. Retrieved from Texas Legislature Online History: https://capitol.texas.gov/BillLookup/History.aspx?LegSess=87R&Bill=SB1537

Mullet, S., Valdez, Hunt, Liias, Nguyen, Saldana, & Wege, V. d. (2024). SB 6069--2023-2024. Retrieved from Washington State Legislature: https://app.leg.wa.gov/billsummary?BillNumber=6069&Chamber=Senate&Year=2023

Mullins, R. (2023, June 02). House Bill 577. Retrieved from Pennsylvania General Assembly: https://www.legis.state.pa.us/cfdocs/billinfo/BillInfo.cfm?syear=2023&sind=0&body=H&type=B&bn=577

Office of Mike Pellicciotti. (2024). Governor Signs Washington Saves, Secures Retirement. Retrieved from Washington State Treasurer Pellicciotti: https://tre.wa.gov/about-us/media-center/2024/governor-signs-washington-saves-secures-retirement-savings-pathway-millions

Officer of the Governor. (2024, September 05). Newsroom: Governor McKee Signs Legislation. Retrieved from State of Rhode Island: Governor Dan McKee: https://governor.ri.gov/press-releases/governor-mckee-signs-legislation-creating-rhode-island-secure-choice-retirement

Olson, K., Scott, J., & Shelton, A. (2024, September 26). Iowa Workplace Savings Program Would Help 483,000 Workers Save for a More Secure Financial Future. Retrieved from Pew: https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2024/09/iowa-workplace-savings-program-would-help-483000-workers-save-for-a-more-secure-financial-future

Oregon Retirement Savings Board. (2023). Retirement Savings Made Simple. Retrieved from OregonSaves: https://www.oregonsaves.com

Rep. Keiser, B. a., & Sen. Klein, M. S. (2014, December 31). House Bill No. 1200. Retrieved from Sixty-fourth Legislative Assembly: https://ndlegis.gov/assembly/64-2015/documents/15-0307-02000.pdf?20150113085741

Rep. Lowery, W. M. (2023, March 29). General Assembly of North Carolina Session 2023. Retrieved from House Bill 496-First Edition: https://www.ncleg.gov/Sessions/2023/Bills/House/PDF/H496v1.pdf

Rep. Munoz, J. (2021). HB 2996. Retrieved from Texas Legislature Online History: https://capitol.texas.gov/BillLookup/History.aspx?LegSess=87R&Bill=HB2996

Scott, J. (2021, April 16). Keystone Saves Would Increase Retirement Security in Pennsylvania. Retrieved from Pew: https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2021/04/keystone-saves-would-increase-retirement-security-in-pennsylvania

Sen. Montgomery, M. (2021). SB 527. Retrieved from Oklahoma State Legislature: http://www.oklegislature.gov/BillInfo.aspx?Bill=SB527&Session=2100

Shanley, R., Shekarchi, Craven, Carson, Abney, Donovan, . . . Slater. (2024, January 10). 2024-H 7127 As Amended . Retrieved from State of Rhode Island: https://webserver.rilegislature.gov/BillText/BillText24/HouseText24/H7127aa.pdf

State Net: Donovan. (2020, July 14). 2020 CO S 200. Retrieved from State Net: https://custom.statenet.com/public/resources.cgi?id=ID:bill:CO2020000S200&ciq=ncsl37&client_md=c57b991e8bae7b24b3cd299cf6227493&mode=current_text

State of Arkansas Representatives. (2021, March 09). House Bill 1349. Retrieved from Arkansas Legislation: https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FBills%2F2021R%2FPublic%2FHB1349.pdf

State Representatives Kansas. (2023, February 07). FastDemocracy. Retrieved from HB 2321: https://fastdemocracy.com/bill-search/ks/2023-2024/bills/KSB00009616/

Treasurers Office: State of Colorado. (2024, May 15). Program Details for Employers. Retrieved from Colorado SecureSavings: https://coloradosecuresavings.com/employers/program-details

Willer, T. S. (2015). Utah Joint Resolution on Small Business Retirement. Retrieved from Office of Legislative Research and General Counsel: https://le.utah.gov/~2015/bills/sbillint/SJR009.htm

Young, R. (2024). House Bill 4926. Retrieved from West Virginia Legislature 86th Legislature: https://www.wvlegislature.gov/Bill_Status/bills_text.cfm?billdoc=hb4926%20intr.htm&yr=2024&sesstype=RS&i=4926

Zwonitzer, R. (2018). HB0193-Retirement Income Security Task Force. Retrieved from The State of Wyoming Legislature-Legislation 2018: https://www.wyoleg.gov/Legislation/2018/HB0193

Appendix

Table 1: State Retirement Programs Features and Rules

State	Participation Rules	State Auto-IRA Plan Features	Timeline	Cost Rules & Regulations
Common Features	• Mandatory • No employer fees	• Default: Roth IRA • Alternative: Traditional IRA • No employer contribution	Phased employer enrollment	Cost limits under 1%
California – CalSavers	• Firm size: at least 1 or more employees (Jan 1, 2023) • If eligible: Employers of providers of in-home supportive services	• Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 8% of gross pay. • Employer contribution permitted if would not trigger ERISA • Savers account is a Roth IRA, but savers can recharacterize to a traditional IRA.	• Enacted: 2016 • Enrollment for 1-4 employees: December 31, 2025	Year 6: Less than 1%
Colorado – Colorado Secure Savings Program	Firm size: 5+ employees; company in business for at least 2 years	Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 8%	• Enacted: 2020 • Launch: 2023 • March 2023: 50+ employees • May 2023: 15+ employees • June 2023: 5+employees	• Year 1-5: Less than 1% • Year 6: Less than 0.75%
Connecticut – MyCTSavings	Firm size: 5+ employees	Default Contribution rate: 3% of gross pay	• Enacted: 2016 • Enrollment: 2022 through 2023	• Program management fee: 0.20%, plus a flat $24 annual fee • Year 5: Less than 0.75%
Delaware – Delaware Earns	Firm size: 5+ employees	• Default contribution rate: between 3-6% of compensation. • Maximum default contribution rate must not exceed 15%	• Enacted: 2022 • Launch: July 1, 2024. • Enrollment: October 15, 2024.	
Illinois – Illinois Secure Choice	• Firm size: 5+ employees • 2-year deferral for new businesses	• Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 10% • Roth IRA with Traditional IRA option • Optional enrollment period for employees who opt out to enroll in Program.	• Enacted: 2015 Enrollment: • November 2018: 500+ employees • July 2019: 100+ • November 2019: 25+ • November 2022: 15+ • November 2023: 5+	• Less than 0.75% Breakdown: • 0.05% state fee • 0.61% program administration fee • 0.09% investment fee • Administrative fees effective Jan 1, 2024: Fixed account fee: $4 per quarter • Total annualized Asset Based Fee: range 0.32-0.45% of assets
Maine – Maine Retirement Investment Trust (MERIT)	• 2-year deferral for new businesses • Firm size: 5+	• Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 8% of wages • Auto-reenrollment for those who opt-out at determined time intervals	• Enacted: 06/2021 • Launch: January 2024 • April 30, 2024: 15+ employees • June 30, 2024: Less than 15 employees • Final registration deadline December 31, 2024	
Maryland – MarylandSaves	• All employers • 2-year deferral for new businesses	Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 10%	• Enacted: 2016 • Launch: September 15,2022	• Administrative expenses less than 0.5% of program assets • $300 SDAT annual filing fee waiver for submitting payroll contributions before December 31
Minnesota – Minnesota Secure Choice	Firm size: 5+ employees	Proposed 5% default with 1% auto-escalation to 8% maximum	• Enacted: 2023 • Launch: January 1, 2026	

State	Participation Rules	State Auto-IRA Plan Features	Timeline	Cost Rules & Regulations
New Jersey – Retire Ready NJ	• Firm size: 25+ employees • 2-year deferral for new businesses	Default Contribution rate: 3%, with the option to increase contributions up to 10% (selected by employee, no auto escalation).	• Enacted: 2019 • Launch: June 30, 2024 Enrollment: • September 15, 2024: 40+ employees • November 15, 2024: 25+ employees	• Year 1-3: Less than 0.75% • Year 4: Less than 0.6%
New York – New York Secure Choice	• Firm size: 10+ employees • 2-year deferral for new businesses • Amendment allowing freelancers and independent contractors the ability to voluntarily join the state program	Default Contribution rate: 3%	• Enacted: 2021 • Not open for enrollment as of February 2025	
Nevada – Nevada Employee Savings Trust	All employers without a qualifying plan and in business for 2+ years		Enacted: 2024	
Oregon – OregonSaves	All employers without qualifying plan	Default Contribution rate: 5% with auto-escalation of 1% per year to a maximum of 10%	• Enacted: 2015 • Enrollment complete	• $16 account fee • 0.50 asset management fee
Rhode Island – Rhode Island Secure Choice Retirement Savings	Firm size: 5+ employees		• Enacted: June 26, 2024 Enrollment: • June 2025: 100+ employees • June 2026: 50+ • June, 2027: 5+	
Vermont – Vermont Saves	Firm size: 5+ employees	Default contribution rate: 5% with auto-escalation of 1% per year to a maximum of 8%	• Enacted: 2023 • Launched: October 2024 • Program opens to eligible employers Dec 4, 2024 • Employer registration deadline February 2025	
Virginia – RetirePath VA	• Firm size: 25+ employees • 2-year deferral for new businesses	Default contribution rate: 5% with 1% auto-escalation to a maximum of 10%	• Enacted: 2021 • Enrollment to begin 07/1/2023	
Washington – Washington Saves	All employers in business for at least 2 years	• Default contribution to be set between 3% and 7% • Annual escalation may be set at 1% per year, up to 10% total.	• Enacted 2024 • Enrollment begins 2027	

States with similar proposed legislation: Alaska, Arizona, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia, Wisconsin

State	Participation Rules	Voluntary Auto-IRA	Timeline	Cost Rules & Regulations
Hawaii – Hawaii Retirement Savings Program		Default contribution rate: 5%	Enacted: 2022	

States with similar proposed legislation: Idaho, Indiana, North Carolina, North Dakota

State	Participation Rules	Voluntary Open MEP	Timeline	Cost Rules & Regulations
Common Features	Voluntary	• Defined contribution 401(k) plan, ERISA-covered • Employer contribution permitted but not required		
Massachusetts – CORE Plan	Nonprofits with 20 or fewer employees	Default: 6% with auto escalation of 1% or 2%, up to 12%	• Enacted: 2012 • Open for enrollment	• $65 participant fee • $2,500 installation fee • $200 administrative fee • $150 employer contribution election • $750 deferral only fee
Missouri – Show me My Retirement Savings Plan	Employers with 50 or fewer employees, and self-employed		• Enacted: 2023 • Launch: September 1, 2025	

States with similar proposed legislation: Arkansas, New Hampshire, South Carolina

State	Participation Rules	Hybrid Voluntary IRA & Marketplace	Timeline	Cost Rules & Regulations
New Mexico – Work and Save Program		• Marketplace: SIMPLE IRA, payroll deduction IRA, MEP • ERISA plans allowed in the marketplace with ERISA requirements applying to participating employers	• Enacted: 2020 • Original Implementation deadline: July 1, 2024, but delayed again with no new set date.	• Voluntary IRA: Less than 1% • Marketplace: administrative fees to be established by Board

State Partnerships:

1. Colorado Partnership for a Dignified Retirement: Colorado, Delaware, Maine, and Vermont
   - Colorado Secure Savings Program and Vermont Saves: June 26, 2024
   - Delaware Earns and Colorado Partnership for a Dignified Retirement: December 7, 2023
   - Maine Retirement Investment Trust and Colorado Secure Savings Program: June 2023.
   - New Mexico Work and Save Program and Colorado Secure Savings Program: November 2021 (First in the country Memorandum of Cooperation). Partnership implementation pending with no official date due to delay of New Mexico Work and Save Program.
2. Connecticut and Rhode Island
   - Connecticut and Rhode Island

Figure Data Tables

Figure 4: Percentage of Wage and Salary Workers Ages 21-64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity and Earnings, 2023

Earnings	White	Black	Hispanic	Other
> $20,000	19.20%	9.40%	9.60%	28.50%
$20,000-$39,999	37.40%	35.30%	21.10%	31.20%
$40,000-$74,999	63.50%	57.80%	44.70%	56.50%
$75,000+	82%	74.80%	69.60%	80.10%

Figure 5: Percentage of Wage and Salary Workers Ages 21-64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity and Age, 2023

Age	White	Black	Hispanic	Other
21-24	28.90%	19.70%	20.70%	28.50%
25-34	56.80%	43.90%	36.30%	56.60%
35-44	65.10%	51.40%	37.70%	61.40%
45-54	68.20%	58.70%	39.10%	58.20%
55-64	68%	57.90%	41%	60%

The Harkin Institute and Drake University

The Harkin Institute for Public Policy & Citizen Engagement serves as a venue and catalyst for dynamic non-partisan research, learning, and outreach to promote understanding of the policy issues to which Senator Tom Harkin devoted his career.

The Harkin Institute is located at Drake University. Established in 1881, Drake is recognized as one of the finest institutions of higher learning in the Midwest. A mid-sized, private university in Des Moines, Iowa, Drake offers the benefits and resources of a larger institution along with the advantages of intimate class sizes and close personal relationships.

Drake's mission is to provide an exceptional learning environment that prepares students for meaningful personal lives, professional accomplishments, and responsible global citizenship. The Drake experience is distinguished by collaborative learning among students, faculty, and staff and by the integration of the liberal arts and sciences with professional preparation. Our inspiration is that together we transform lives and strengthen communities.