

Broadridge Fi360 Solutions Webinar Series

ELIGIBLE FOR CONTINUING EDUCATION CREDIT FROM FI360, CFP BOARD, AND IWI



State-Mandated Retirement Programs

March 24, 2022

Ready for Next

Thank you to today's presenting sponsor





State-Mandated Retirement Programs

What You Need to Know

March 21, 2022



Agenda

- What are State-Mandated Retirement Programs?
- Current Status of State-Mandated Retirement Plans
- What's on the Federal Legislative Horizon?
- How The Standard Can Help Your Practice





What Are State-Mandated Retirement Programs?

March 24, 2022



What Are State-Mandated Retirement Programs?

- Established based upon state law
- Require private employers to provide retirement benefits
- Distinct from state retirement plans established for public employees

Historical Context

- Grown out of grassroots industry action
- Access to retirement plan benefits is more available for larger employers
- Women, African Americans and Latinas save for retirement at a significantly less rate than their counterparts
- Global pandemic has only heightened Americans' retirement savings challenges

Commonalities

- Employer must participate
- Employees auto-enrolled
- Typically administered through payroll deductions
- Chosen by the state
- IRA programs and Open MEPs are the most common



Status of Current Programs

March 24, 2022



Status of Current Programs

30+ states have considered enacting state-mandated retirement plan legislation

Program Status	States Participating
Active Mandatory Programs	California, Illinois, Oregon
Mandatory Programs (Legislation Passed/Implementation Scheduled)	Colorado, Connecticut, Maine, Maryland, New Jersey, New York, Virginia
Active Voluntary Programs	Massachusetts, New Mexico, Vermont, Washington

Active Mandatory Program – California

- Employers with 5 or more employees required to participate
- Portable plan, offering Traditional and Roth IRAs
- Auto-enrollment of employees
- Oversight from a public board chaired by the State Treasurer
- Multiple target-date funds, ESG fund, core bond fund and global equity fund

Active Mandatory Program – Illinois

- Employers who have 25 or more EEs and in operation for at least 2 yrs.
- Requires every ER with 5 or more EEs to register
- Automatic enrollment of employees at 5% contribution rate
- Roth IRA
- Employees may opt-out

Active Mandatory Program – Oregon

- Employers that do not offer a retirement plan or self-employed individuals
- Portable Roth Individual Retirement Account (IRA)
- Automatic enrollment @ 5% Contribution Rate
- ERs have 60 days to enroll a new EEs

Mandatory Programs – Continued

Colorado

- Employers with 5 or more employees and in business for at least 2 years
- Fines imposed of \$100 per year for each unenrolled employee, maximum of \$5000/year

Connecticut

- Employers with 5 or more employees
- Automatic enrollment Roth IRA Program

Mandatory Programs – Continued

Maine

- Automatic Enrollment Roth IRA plan created in June 2021
- Any employer in business for at least 2 years

Maryland

- Automatic enrollment IRA program
- Includes Retirement Income and Emergency Savings components

Mandatory Programs – Continued

New Jersey

- Companies with 25 or more EEs and in business at least 2 years
- Automatic enrollment IRA program

New York State

- Automatic Enrollment Roth IRA
- Employers with at least 10 EEs

Mandatory Programs – Continued

New York City

- Auto-enrollment IRA program
- ERs with at least 5 EEs

Virginia

- IRA Program with Automatic Enrollment of EEs with 30 + hours
- ERs with 25 or more EEs

Voluntary Programs

Massachusetts

- Voluntary Open-MEP 401(k) for non-profit employers “CORE” Plan
- Companies with 20 or fewer EEs

New Mexico

- New Mexico Work and Save Act enacted 2020
- Voluntary Auto-Enrollment IRA program

Voluntary Programs – Continued

Vermont

- Voluntary Open MEP
- Available to Employers with 50 EEs

Washington

- Retirement Small Business Marketplace Enrollment in plans on the Retirement Marketplace is voluntary
- Currently offers nine types of retirement

Honorable Mentions

Louisiana introduced Senate Bill 283 which would have established the Louisiana Retirement Savings Plan.

North Dakota Introduced House Bill 1200 which would have established the Save Toward a Retirement Today.

Ohio House Bill 645 was introduced to establish an auto-enrollment retirement savings program for private sector employees.

Utah introduced a resolution to study and develop a model for a state sponsored retirement savings program.

Nebraska, New Hampshire, West Virginia launched studies to examine the availability and adequacy of retirement savings and creation of state-sponsored retirement plans.





Federal Legislative Horizon

March 24, 2022



Secure Act – Now What?

- **Retirement Security & Savings Act**
 - Introduced by Senators Robert Portman (R-OH) and Ben Cardin (D-MD)
- **Securing A Strong Retirement Act and the Retirement Security & Savings Act**
 - Auto Enrollment
 - CITs
 - Student Loan Matching
 - Encourages small business
 - Expands 401k eligibility
- **Retirement Improvement and Savings Enhancement (RISE) Act**
 - Improved coverage for part-time workers
 - Retirement Savings Lost and Found

Still Waiting on Secure Act 2.0

- **Securing a Strong Retirement Act of 2021 (H.R. 2954) “SECURE Act 2.0”**
 - Likely to pass on a bipartisan basis
 - Builds on the 2019 SECURE Act
 - Merger of 2 bills possible
- **Retirement Enhancement and Savings Act (RESA)**
 - Easier and financially viable for small employers
 - Permits offering annuities & products
 - Expanded Tax Credits

Still Waiting on Secure Act 2.0 – continued

- **Automatic Retirement Plan Act of 2017**
 - Expected to be reintroduced
 - Requires employers to provide workers with access to a payroll deduction for savings through an IRA, 401(k), or other qualified retirement savings plan
 - Lead by Richard Neal (D-Mass.)

State-Mandated Retirement Programs

State and federal legislative activity continues

Challenges	Opportunities
Lack of uniformity among states	State or regional specialization
Not a current priority for Congress	No federal guidance/law
New market/potential clients	Expansion of current structures and plan types



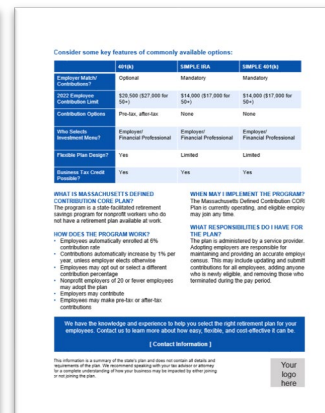
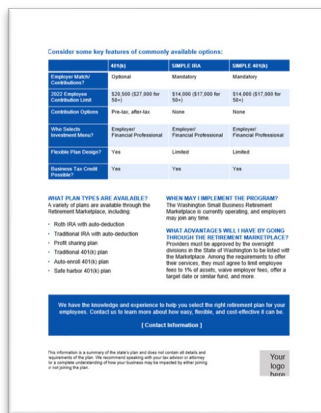
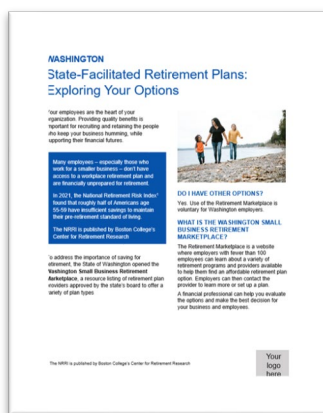
How The Standard Can Help

March 24, 2022



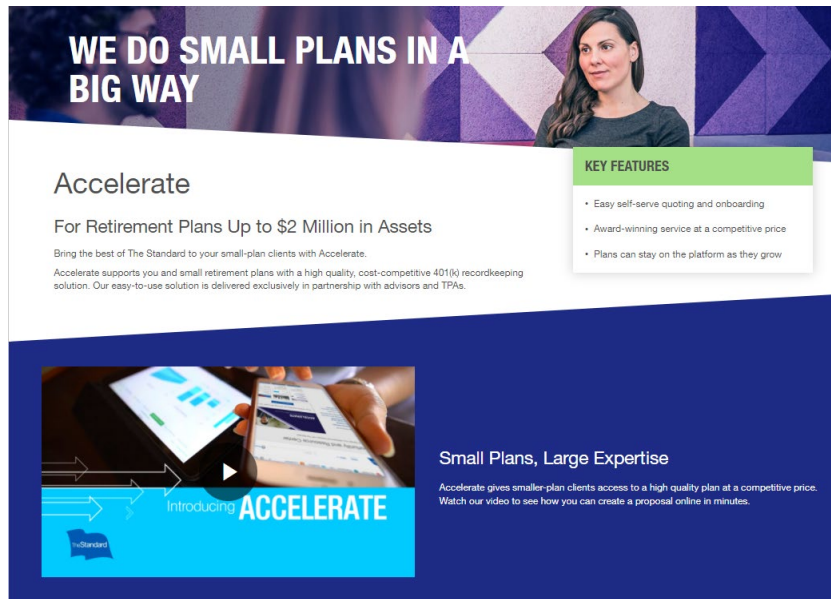
Material for Your Business Clients

- State-specific resources provided to you by The Standard
 - Explanation of the state-mandated program
 - Comparison between different provisions of retirement plan options
 - Editable for your practice and contact information



Accelerate

- 401(k) plans
- On-demand plan pricing
- Onboarding
- Scalability
- Competitive investment options
- Optional fiduciary services
- Award-winning service
- Transparency
- Data accuracy



WE DO SMALL PLANS IN A BIG WAY

Accelerate

For Retirement Plans Up to \$2 Million in Assets

Bring the best of The Standard to your small-plan clients with Accelerate.

Accelerate supports you and small retirement plans with a high quality, cost-competitive 401(k) recordkeeping solution. Our easy-to-use solution is delivered exclusively in partnership with advisors and TPAs.

KEY FEATURES

- Easy self-serve quoting and onboarding
- Award-winning service at a competitive price
- Plans can stay on the platform as they grow

Small Plans, Large Expertise

Accelerate gives smaller plan clients access to a high quality plan at a competitive price. Watch our video to see how you can create a proposal online in minutes.

Introducing **ACCELERATE**



Questions?

For Informational Purposes Only. Not Intended to be Investment or Legal Advice.

The Standard is the marketing name for StanCorp Financial Group, Inc., and its subsidiaries. StanCorp Equities, Inc., member FINRA, wholesales a group annuity contract issued by Standard Insurance Company and a mutual fund trust platform for retirement plans. Standard Retirement Services, Inc., provides financial recordkeeping and plan administrative services. StanCorp Equities, Inc., Standard Insurance Company, and Standard Retirement Services, Inc. are subsidiaries of StanCorp Financial Group, Inc., and all are Oregon corporations.

March 24, 2022



RP 22735 (1/22)