

WORKPLACE BENEFITS

Workplace retirement plans

Overview: State-sponsored retirement programs

Most business owners find that offering a 401(k) plan helps their employees save for the future and assists with retaining current employees. With states racing to address the retirement savings gap for employees, many have adopted legislation requiring employers to establish a state-run retirement option or obtain an exemption that includes establishing a plan of their choice.

Which workplace retirement plans are available to employers in states with mandates?

Workplace retirement programs offer employees a vehicle to save more toward their future and allow employers to make tax-deductible contributions to attract and/or retain talent. While all of these programs provide an opportunity for employees to save for their retirement, some solutions create greater limitations to those who wish to maximize their savings. Employers also find that they have important choices surrounding contribution requirements/flexibility and even vesting opportunities that can be beneficial for employee retention.

Business owners should explore the various workplace retirement plans and assess business priorities that include choosing working with a trusted brand, having a plan that's easy to set up and maintain, having a simple enrollment process, and working with a provider that offers customer support for both the company and its employees.



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See last page for additional important information.

A business retirement plan can offer greater benefits with potentially less administration

	State Auto-Roth IRA	401(k)/Profit Sharing	SIMPLE IRA	SEP IRA
Contribution max (2025)¹	\$7,000	\$23,500 (plus \$7,500 in catch-up contributions, if eligible) ²	\$16,500 (plus \$3,500 in catch-up contributions and required employer contributions described below) ³	\$70,000
Company contributions option	No	Yes, optional at employer's discretion	Required (2%-10% nonelective or 100% match up to 3%)	Required (equal % among all qualified employees)
Potential tax credits for opening a new plan⁴	No	Eligible	Eligible	Eligible
Investments	Limited	Wide-range	Wide-range	Wide-range
Employer tasks	Establishing an enrollment period, handling enrollment, transmitting (or arranging for transmission) payroll contributions, distributing materials to employees, and reporting information as required by the State Auto-Roth IRA	Employer chooses 401(k) plan provider or recordkeeper and selects investment options; employees choose their investments under the plan	Employer submits SIMPLE IRA contributions through Merrill or through selected provider	Employer submits SEP IRA contributions through Merrill or through selected provider

The list below provides detail about states that currently offer state-run retirement programs.

State	Program name	Program website	Program status	Client fact sheet
California	CalSavers	calsavers.com	Implemented	CA
Colorado	Colorado SecureSavings	coloradosecuresavings.com	Implemented	CO
Connecticut	MyCT Savings	myctsavings.com	Implemented	CT
Delaware	Delaware EARNs	earnsdelaware.com/employers	Implemented	DE
Illinois	Illinois Secure Choice	ilsecurechoice.com	Implemented	IL
Maine	Maine Retirement Investment Trust (MERIT)	meritsaves.com/employers	Implemented	ME
Maryland	MarylandSaves	marylandsaves.com	Implemented	MD
New Jersey	RetireReady NJ	nj.gov/treasury/securechoiceprogram	Implemented	NJ
Oregon	OregonSaves	oregonsaves.com	Implemented	OR
Vermont	Green Mountain Secure Retirement Plan	vermonttreasurer.gov/content/retirement/green-mountain-secure-retirement-plan	Implemented	VT
Virginia	RetirePath Virginia	retirepathva.com	Implemented	VA

Many states are either in discussion or have introduced legislation to implement state retirement programs including: Alabama, Georgia, Indiana, Mississippi, North Carolina, and Washington. Please check your with your state for more information.

Understanding your options

Today, business owners have more retirement plan choices than ever before. It is important to understand which one fits the needs of your business and your employees. We can help you consider various options and implement a program that may be a alternative to a state mandated program. Additionally, you can help them create a financial strategy that can work for unique circumstances and support broad goals.

Resources for clients

- [Small Business Retirement Solutions Reference Guide](#)
- [Merrill 401\(k\)](#)
- [Merrill SEP client fact sheet](#)
- [Merrill SIMPLE client fact sheet](#)
- [Compare retirement plan options for small businesses](#)
- [Retirement Account Selector](#)

How can you get started?

Connect with your Business Bank Relationship Manager or Merrill Advisor today.

Visit [Workplace Benefits for Small Business Owners and Entrepreneurs](#) for more information.

¹ Based on 2025 IRS Contribution Limits. Under SECURE 2.0, employers may be able to allow for increased employee and employer contributions if certain conditions are met. You should consult with your tax and legal advisors, IRS.gov and IRS Publication 560 for additional guidance.

² \$34,750 for individuals who attain age 60, 61, 62 or 63 in 2025. In the year in which an individual attains age 64 or greater, the regular catch-up contribution limit applies.

³ \$21,750 for individuals who attain age 60, 61, 62 or 63 in 2025. In the year in which an individual attains age 64 or greater, the regular catch-up contribution limit applies.

⁴ For more information, see "Retirement plans startup costs tax credit" at IRS.gov, August 26, 2024.