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**Act No. 43 (S. 135). An act relating to the establishment of VT Saves**

**Subjects: Retirement; State Treasurer; VT Saves Program**

This act establishes the VT Saves Program, administered by the Office of the State Treasurer, for the purpose of increasing financial security for Vermonters by providing access to an IRA for Vermont employees of companies that do not currently offer a retirement savings program. The Program requires that certain employers enroll employees in the Program to contribute to an IRA but permits employees to opt out. The type of IRA for the Program is set as a Roth IRA but the Treasurer is authorized to add an option for a traditional IRA. The act sets the initial contribution from an employee at five percent but provides that the employee may change this to a higher or lower amount. An employer is prohibited from making contributions under the Program. The Treasurer is authorized to charge a fee of not more than \$30.00 per participant per calendar year to defray program administration costs.

This act also establishes the Vermont Retirement Security Fund, to be administered by the State Treasurer, to consist of monies transferred, appropriated, or paid or granted to the Program. It also sets up a penalty structure for employers who fail to enroll covered employees by certain dates but allows the Treasurer to adopt a rule on establishing a waiver to the penalties. Under the act, the Treasurer is required to submit an annual report to the Governor and the Legislature on or before January 15 each year detailing the activities, operations, receipts, and expenditures of the Program.

The act directs the Treasurer to phase in implementation of the Program based on an employer's number of employees beginning July 1, 2025. All employers must offer the Program by July 1, 2026.

Effective Date July 1, 2023