



NFIB Vermont
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January 17, 2026

Vermont Legislative Committee on Administrative Rules
The Honorable Rep. Trevor Squirrell, Chair

25-P039 (Vermont Saves Program Rule)

Dear Chair Squirrell and Committee Members,

The National Federation of Independent Business (NFIB) is a nonpartisan, nonprofit organization representing more than 800 small businesses in Vermont. The average NFIB member is a very small business, with ten employees and \$500,000 in annual sales.

NFIB Vermont appreciates the opportunity to share our concerns with the proposed Vermont Saves rule changes.

We believe encouraging retirement savings can be a positive step for individuals and the state as a whole. Despite reservations with the initial mandatory participation threshold, we hosted two informational webinars with Vermont Saves staff to help educate the small business community about the program's purpose and their obligations under the new law.

However, we do not think the burden of facilitating this retirement program should be shifted onto the state's smallest employers.

This proposal expands Vermont Saves in two ways:

- i) reduces the exemption level for mandatory employer participation in the program from those employing five or more employees to those who employ two or more employees at any time during a calendar year; and
- ii) redefines "covered employee" by deleting the threshold that an employee is employed by a covered employer for 500 or more hours during a calendar year.

These changes add to the burden of operating a small business in Vermont and will likely yield little to no meaningful increase in employee participation or assets under management for Vermont Saves. According to the most recent data from U.S. Census Statistics of U.S. Businesses, employers with 1-4 employees are 58% of all employers in Vermont but employ only 6.6% of workers (10,370 employers, 16,989 employees, 1.6 workers per employer).¹

In our experience, many employees of businesses this size are likely to be partners, co-owners, family, or close friends. Their existing retirement options are robust, including signing up for Vermont Saves on their own or investing in a zero-fee fund through a free, no-minimum IRA.²

¹ U.S. Census Bureau Statistics of U.S. Businesses, "2022 SUSB Annual Data Tables by Establishment Industry," published 7/22/2025.

² See, e.g., [Fidelity Retirement & IRAs](#), Fidelity ZERO Large Cap Index Fund

Among the smallest employers, minimizing administrative burden is an imperative. Owners of businesses of this size generally handle most human resources, payroll, and accounting functions in addition to being highly involved in the day-to-day operation of the business. Burnout among owner-operators is high.³

Many of the smallest employers do not use expensive payroll processing systems, making compliance more complicated than it may seem. However, they will face fines up of to \$75 per employee for errors related to the obligation of facilitating enrollment in Vermont Saves.

Mandatory participation thresholds vary by state. New Jersey⁴, Virginia⁵, New York⁶ all have higher levels than Vermont. Others have locked the threshold at five employees in statute.⁷

At the federal level, the SECURE 2.0 law does not require any employer to offer a retirement savings program but says that those with more than 10 employees must automatically enroll employees in the program (and allow them to opt out).⁸

Including seasonal, part-time, and temporary employees who work fewer than 500 hours in the definition of "covered employee" adds to the administrative burden – and potential fines – for small employers without any guarantee of a substantial increase in program participation. Seasonal and temporary workers are often working for extra cash, not retirement savings, and interest in the program is likely to vary widely based on personal circumstances.

Again, the program already allows those who do not work for a covered employer to voluntarily sign up for Vermont Saves on their own.

Most disappointing is that, during the legislative process which led to the program's creation, Vermont's smallest employers were told participation would not be mandatory:

*"If you're under five employees or you're self-employed, our intent is to draft rules that allow you to participate," Pieciak said. "So it's not a requirement, but it is an option."*⁹

Respectfully, we encourage the committee to reject this proposal.

Thank you for considering our members' perspective.

Sincerely,



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³ Madison, Leslie, "An Analysis of Burnout In Owner-Operated Businesses," UNH College of Professional Studies, Leadership, 5/6/2025

⁴ RetireReadyNJ, "Program Details for Employers," accessed 1/13/2026

⁵ RetirePathVA, "RetirePath for Employers," accessed 1/13/2026

⁶ Vestwell, "New York State's Secure Choice Savings Program," 10/8/2025

⁷ See, e.g., [Minnesota Statute 187.03](#)

⁸ Groom Law Group, "[IRS Issues Guidance on Mandatory Automatic Enrollment](#)," 1/17/2025

⁹ Keck, Nina, "[The state would help more Vermonters save for retirement with new bill](#)," Vermont Public, 5/12/2023.