

Final Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the "Rule on Rulemaking" adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted at the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of "Proposed Rule Postings" online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

**PLEASE REMOVE ANY COVERSHEET OR FORM NOT
REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!**

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Vermont Saves Program Rule

s/Mike Pieciak, on 12/17/2025
(signature) (date)

Printed Name and Title:

Mike Pieciak, State Treasurer

RECEIVED BY: _____

- ☐ Coversheet
- ☐ Adopting Page
- ☐ Economic Impact Analysis
- ☐ Environmental Impact Analysis
- ☐ Strategy for Maximizing Public Input
- ☐ Scientific Information Statement (if applicable)
- ☐ Incorporated by Reference Statement (if applicable)
- ☐ Clean text of the rule (Amended text without annotation)
- ☐ Annotated text (Clearly marking changes from previous rule)
- ☐ ICAR Minutes
- ☐ Copy of Comments
- ☐ Responsiveness Summary

1. TITLE OF RULE FILING:

Vermont Saves Program Rule

2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE
25P039

3. ADOPTING AGENCY:

Office of the State Treasurer

4. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Becky Wasserman

Agency: Office of the State Treasurer

Mailing Address: 109 State Street, Suite 4, Montpelier, VT
05609

Telephone: 802-498-3466 Fax:

E-Mail: becky.wasserman@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:

<https://www.vermonttreasurer.gov/vt-saves>

5. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Justin St. James

Agency: Office of the State Treasurer

Mailing Address: 109 State Street, Suite 4, Montpelier, VT
05609

Telephone: 802-917-2785 Fax:

E-Mail: justin.stjames@vermont.gov

6. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

7. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

3 V.S.A. § 533(1)

8. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

Section 533 of Title 3 of the Vermont Statutes Annotated authorizes the State Treasurer to prepare and adopt rules necessary for the implementation and general administration and operation of the Vermont Saves Program. These rule changes fall within this authority because it pertains to the governance and administration of the Vermont Saves Program and seeks to amend Rule 24-045, adopted in 2024.

9. THE FILING HAS NOT CHANGED SINCE THE FILING OF THE PROPOSED RULE.

10. THE AGENCY HAS NOT INCLUDED WITH THIS FILING A LETTER EXPLAINING IN DETAIL WHAT CHANGES WERE MADE, CITING CHAPTER AND SECTION WHERE APPLICABLE.

11. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE NOT RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.

12. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.

13. THE AGENCY HAS NOT INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.

14. CONCISE SUMMARY (150 WORDS OR LESS):

The Vermont Saves Program Rule makes two amendments to the existing Rules implemented in 2024 pursuant to 3 V.S.A. Chapter 18. These amendments change the following definitions in CVR 03-000-003, Sec. 1:

11. "Covered employee" means a "covered employee," as that term is defined in 3 V.S.A. § 531(2).

12. "Covered employer" means a "covered employer," as that term is defined in 3 V.S.A. § 531(3), that employs two or more employees at any time during a calendar year.

These changes will require the participation of more employers and employees in the program by broadening the membership criteria in statute.

15. EXPLANATION OF WHY THE RULE IS NECESSARY:

The Vermont Saves Program Rule amendments will provide access to Roth IRA accounts through this Program to more Vermonters, in furtherance of the goals of the Vermont Legislature's stated intent in establishing this Program. These changes also permit more Vermonters to have access to the Program. The Vermont Saves Program is part of a multi-state consortium and this expanded access is generally consistent with other states in that partnership as well as other state auto-IRA programs.

16. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY:

The decision by the Office of the State Treasurer to propose these two definitional changes is rationally related to designing a Program with clear and easy registration requirements for all employers in the State who are required to comply with 3 V.S.A. Chapter 18 and ensuring that retirement savings through the Program is convenient and accessible to more Vermonters.

17. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

The Rule primarily affects employers in the State with two or more employees who do not offer a workplace retirement plan and all eligible employees who are automatically enrolled in the Program. The rule may also affect financial advisers and payroll companies who are contacted about retirement or other workplace benefits that are an alternative to the Vermont Saves Program.

18. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

In its first year of implementation, Vermont Saves has helped thousands of Vermonters invest millions of dollars in retirement accounts through the Program. Enlarging the participant pool will enable more Vermonters to begin saving for retirement.

19. A HEARING WAS HELD.

20. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION.

Date: 12/8/2025

Time: 10:00 AM

Street Address: 109 State Street, 4th Floor, Montpelier, VT

Zip Code: 05609

URL for Virtual:

<https://teams.microsoft.com/meet/2588083602837?p=TvESlBCBDN0XLmP5sB>

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

21. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

12/15/2025

KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Retirement

Vermont Saves

IRA

MICHAEL S. PIECIAK
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

MEMORANDUM

To: Legislative Committee on Administrative Rules (LCAR)
From: Becky Wasserman, Director of Economic Empowerment, Office of the State Treasurer
Date: December 18, 2025
RE: 25P-039; Final Proposed Rule; *Vermont Saves Program Rule*

The Office of the State Treasurer filed its proposed rule, the Vermont Saves Program Rule, with the Office of the Secretary of State on October 28, 2025. A public hearing was held on December 8, 2025.

We received only one piece of written feedback and one comment from the public at our hearing regarding this proposed rule. The letter was one of support from Vestwell, our current Vermont Saves administrator, which we have attached for reference. The input from the member of the public, a former State representative, was very supportive of the program and this proposed rule. Neither comment from the public requested changes.

The proposed rule was presented to ICAR on October 13, 2025, and a copy of the minutes reflecting the Committee's approval of the proposed rule is included in this filing. ICAR made several recommendations to the proposed rule, all of which are reflected in this final proposed rule.

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

1. TITLE OF RULE FILING:

Vermont Saves Program Rule

2. ADOPTING AGENCY:

Office of the State Treasurer

3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):

- **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
- **NEW RULE** - A rule that did not previously exist even under a different name.
- **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

24-045, Vermont Saves Program Rule, effective on 1/01/2025.

Interagency Committee on Administrative Rules (ICAR) Minutes

Date/Time: October 13, 2025, 2:02 PM

Location: Virtually via Microsoft Teams

Members Present: John Kessler (acting Chair), Diane Sherman, Jared Adler, Jennifer Mojo, John Kessler, Natalie Weill, Michael Obuchowski, Nicole Dubuque

Members Absent: Nick Kramer

Minutes By: Chrissy Gilhuly

- ▶ 2:02 p.m. meeting called to order.
- ▶ Review and approval of minutes from the September 8 meeting.
- ▶ No additions/deletions to agenda. Agenda approved as drafted.
- ▶ No public comments were made.
- ▶ Presentation of Proposed Rule with recommended changes on pages to follow:
 - 1) Department of Financial Regulation
 - a. Update to the Risk Retention Group Holding Company System Rule that sets out reporting, organizational and operational requirements for Risk Retention Groups (RRG) organized as holding companies.
 - i. This update to the rule tells RRGs how to comply with changes made in Subchapter 13 of Title 8, Act 101 by Act 110 (H.659) of 2024
 - b. Vermont Securities Regulations
 - i. Changes to the rule requirements for issuing securities in Vermont and regulating those who provide investment advice and offer and sell securities to the public.
 - 2) Office of the State Treasurer
 - a. Vermont Saves Program Proposed Rule Change:
 - i. This Rule proposes to make two amendments to the Rules implemented in 2024 pursuant to 3 V.S.A. Chapter 18, consistent with the legislative intent to establish a State auto-IRA program 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.”
- ▶ Next scheduled meeting is October 27, time TBD.
- ▶ 2:58 p.m. meeting adjourned.

Vermont Agency of Administration

Proposed Rue: This Rule proposes to make two amendments to the Rules implemented in 2024 pursuant to 3 V.S.A. Chapter 18, consistent with the legislative intent to establish a State auto-IRA program.

Presented By: Becky Wassreman, Treasurer's Office

Motion made to accept the rule by Jared Adler, seconded by Nicole DuBuque, and passed unanimously, with the following recommendations:

- 1) Proposed Filing – Coversheet:
 - a. Under the name of the form, rule title
 - b. #4: 01/01/2025 is correct effective date vs. adopting date
 - c. #8: Use full name and explain what rule does generally in first sentence. Add specifics about the change.
 - d. #8: Mention covered employee and cover employer.
 - e. #9: Add information about other states and the rule change.
 - f. #10: Add explanation with definitional change.
- 2) Economic Impact Analysis
 - a. #3: Separate paragraphs for the four groups impacted with explanation.
 - b. #3: Sync covered employers and covered employees.
- 3) Public Input Maximization Plan
 - a. #4: Make more specific; add newsletter and list specific groups to be contacted. Clarify what stakeholder means.
 - b. #4: Add past entities that have been involved. Full disclosure.



360 Madison Ave 15th floor
New York, NY 10017
December 12, 2025

Becky Wasserman
Director of Economic Empowerment
Office of the State Treasurer
109 State Street, Suite 4, Montpelier, VT 05609
becky.wasserman@vermont.gov

Vermont Saves Program Rule – Comment Letter

Vestwell appreciates the opportunity to comment in support of the proposed amendments to change the definitions of ‘covered employee’ and ‘covered employer’ listed in CVR 03-000-003, Sec. 1. As the program administrator for Vermont Saves and 12 other auto IRA programs across the country, we believe that these proposed changes will help strengthen the program, leading to increases in program participation and growth. In other states that we work with, lowering the employee threshold led to a significant increase in the number of employers that began facilitating the program, enabling their employees to start saving for retirement directly through payroll contributions.

Updating these definitions will help more Vermonters start and maintain payroll-deducted savings and build on program momentum. Vestwell is prepared to assist with the implementation of these proposed amendments.

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn't appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

Vermont Saves Program Rule

2. ADOPTING AGENCY:

Office of the State Treasurer

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

The Vermont Saves Program has the potential to improve tens of thousands of Vermonters' financial lives, and particularly their retirement security. The Program is already providing a retirement savings vehicle for many "covered employees" who do not have access to a workplace retirement savings account. Without access to these accounts, many such individuals would rely

entirely on federal and state benefit programs in their retirement years. This rule would expand the eligibility of covered employees who can for retirement through the Program.

The Program has limited financial impacts on covered employers. Only employee contributions are permitted into a covered employee's account, so there is no financial burden on employers to match any contributions. Covered employers are simply required to register covered employees, but that is a short process, done through the Program's vendor. Depending on a covered employers payroll provider, there may be a small financial or human resource cost to facilitating contributions to a covered employee's account through payroll deductions. The Program will benefit these covered employers who do not currently offer employees a retirement savings vehicle, as it could aid employee retention. The Rule will expand the number of covered employers who are required to participate in the Program.

The Program will also have an economic impact on the financial services industry in Vermont. CPAs, bookkeepers, payroll providers, and tax preparers who may assist a covered employer with the payroll process will have to learn the Program's requirements in order to assist a small business with implementing the Program. Financial advisors will also have to be educated on the Program in order to advise a small business on whether it wants to register with Vermont Saves or start its own workplace retirement plan.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

There is no direct economic cost impact on schools as a result of these rules. Our office's hope is that increased retirement savings will eventually lead to less pressure on taxpayers as demand for publicly provided benefit programs for those of retirement age is lessened as retirement savings grow.

5. **ALTERNATIVES:** *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

There is no direct cost impact to schools from these rules.

6. **IMPACT ON SMALL BUSINESSES:**

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

There is a minimal direct economic cost impact of this Rule on small businesses that are "covered employers". Aside from a short registration process and very modest payroll requirements, there is no ongoing administrative burden for small businesses. Thousands of covered employers have already successfully signed up for the Program.

7. **SMALL BUSINESS COMPLIANCE:** *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

This Program is already operational and only requires a small business to complete a short registration process and facilitate ongoing payroll deductions. Our office is focused on outreach to make the registration process as easy as possible. Additionally, our office's vendor will be available, as will our office, to troubleshoot any concerns voiced by small businesses. The Program vendor provides customer support through phone and email to covered employers and covered employees, offers monthly live payroll webinars, and also maintains a robust resource center on the Program's website.

8. **COMPARISON:**

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

This Program will positively impact tens of thousands of Vermonters by providing a vehicle for retirement investments and savings. This is a successful Program and enlarging the participant pool will aid even more Vermonters in saving for their retirements.

9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING
RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

This economic impact analysis provides the Office's best assessment of the economic impact of this Program based on the information available.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

Vermont Saves Program Rule

2. ADOPTING AGENCY:

Office of the State Treasurer

3. **GREENHOUSE GAS:** *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*
No impact anticipated.

4. **WATER:** *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*
No impact anticipated.

5. **LAND:** *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*
No impact anticipated.

6. **RECREATION:** *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*
No impact anticipated.

7. **CLIMATE:** *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
No impact anticipated.

8. **OTHER:** *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*
No impact anticipated.

9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

The retirement savings accounts created under this rule will not have environmental impacts. Our office heavily emphasizes the use of online portals and only sends first-class mail when participants do not opt-out of receiving it.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

1. TITLE OF RULE FILING:

Vermont Saves Program Rule

2. ADOPTING AGENCY:

Office of the State Treasurer

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

The Office of the State Treasurer will notify the public and interested stakeholders of the proposed rule and public hearing in accordance with the Vermont APA. In addition to publishing the proposed rule and hearing information in a newspaper of circulation, our office will circulate the proposed rules to stakeholder groups, including the Vermont Chamber, AARP, the Vermont Tax Practitioner's Association, and the Vermont CPA Association, for public comment. The proposed rule will also be shared with Vestwell, the program administrator, and the Partnership for a Dignified Retirement (Colorado, Delaware, Maine, Nevada, and Minnesota State Treasurer Offices. We will also post the rules to our office's website and include them in our Vermont Saves newsletter for public review. All public comments will be carefully reviewed and considered for inclusion into the proposed rules.

Public Input

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

Vestwell-the Program's existing administrator

Vermont Chamber of Commerce

Vermont Businesses for Social Responsibility

AARP

Partnership for a Dignified Retirement (Colorado, Delaware, Maine, Nevada, and Minnesota State Treasurer Offices)

**Office of the State Treasurer
Vermont Saves Program Rule**

I. Definitions

1. "Acceptable submission method" means one or more modes of document submission detailed on the Program website.
2. "Account" means an Individual Retirement Account that has been established under the Program.
3. "Act" means 3 V.S.A. chapter 18.
4. "Automatic escalation" means a one percent annual increase in a Covered participant's contribution level at the beginning of each calendar year following the Covered Participant's Onboarding.
5. "Beneficiary" means an individual, person, or entity entitled to receive the proceeds of a Program account upon the death of a Participant.
6. "Client company" has the same meaning as in 21 V.S.A. §1031(3).
7. "Code" means the Internal Revenue Code of 1986, as amended, and any U.S. Department of Treasury regulations, rulings, announcements, or other guidance issued thereunder.
8. "Confirmation notice" means a document sent by the Program administrator to Covered employees to notify them that they have been enrolled in the Program.
9. "Contribution" means monies contributed to an Account.
10. "Contribution level" has the same meaning as in 3 V.S.A. § 531(1).
11. "Covered employee" means a "covered employee," as that term is defined in 3 V.S.A. § 531(2), ~~who is employed by a covered employer for 500 or more hours during a calendar year.~~
12. "Covered employer" means a 'covered employer,' as that term is defined in 3 V.S.A. § 531(3), that employs two ~~five~~ or more employees at any time during a calendar year.
13. "Covered participant" means a Covered employee who is a Participant in the Program.
14. "Custom automatic escalation" means an automatic annual increase to a Participant's Contribution rate affirmatively selected by the Participant, subject to the limitations imposed by the Program administrator or applicable law.

15. "Custom contribution rate" means a Contribution rate affirmatively selected by a Covered participant, subject to the limitations imposed by the Program or applicable law.
16. "Default contribution rate" means five percent of a Covered participant's wages
17. "Default investment option" means the investment option that will receive Contributions if the Participant does not select a different investment option or options.
18. "Employee information" means the information relating to Covered employees that a Covered employer is required to provide to the Program administrator to complete registration.
19. "Employee leasing company" has the same meaning as in 21 V.S.A. § 1031(5).
20. "Employer certification" means the certification submitted by an employer to the Program administrator certifying that said employer does not meet the definition of a Covered employer.
21. "Employer information" means the information relating to a covered employer's business that the covered employer is required to provide to the Program administrator as part of registration.
22. "ERISA" means the federal Employee Retirement Income Security Act of 1974 [29 U.S.C. § 1001 et seq.], as amended.
23. "Exempt" means not required to Onboard or Participate in the Program.
24. "FEIN" means the federal "Employer Identification Number" provided by the IRS.
25. "Hold and sweep period" means a period after the end of the Opt-out period during which time a Covered participant's contributions are held in a principal preservation investment, unless the Covered participant makes an affirmative election otherwise.
26. "IRA" has the meaning set forth in 3 V.S.A. § 531(6).
27. "IRS" means the Internal Revenue Service.
28. "Non-covered individual" means a person who is not a Covered employee.
29. "Non-covered participant" means a participant who is not a Covered employee.
30. "Non-payroll contribution" means a contribution that a Participant remits outside of a payroll deduction contribution.

31. "Onboard" or "Onboarding" refers to the process by which Covered employers, Covered employees, and Participants furnish all required information to the Program administrator in order to participate in the Program.
32. "Opt-out" means a covered employee affirmatively declines the option of being automatically enrolled into the Program.
33. "Opt-out period" means the period of time following the provision of Program information to a Covered employee during which a Covered employee may opt out of automatic enrollment into the Program.
34. "Participant" means an individual for whom an account is held under the Program, whether they are a "non-covered" or "covered" Participant as defined in this rule.
35. "Participate" means to have an account open with the Program.
36. "Participating employer" means a Covered employer that is remitting Covered participant contributions.
37. "Payroll deduction contribution" means a Contribution made by a Covered participant via a payroll deduction IRA arrangement with a Participating employer.
38. "Principal preservation investment" means a money market fund or other conservative, highly liquid investment offered as an investment option in the Program.
39. "Program" means the VT Saves Program established under 3 V.S.A. chapter 18.
40. "Program administrator" means the third-party entity procured by the State Treasurer to provide recordkeeping and related services for the Program.
41. "Program information" means the document or documents provided by the Program administrator to participants that details the investment options and other Program features.
42. "Register" or "Registration" means the process for Covered employers to submit registration information, including Employee and Employer information, to the Program administrator.
43. "Registration date" means the deadline established by the State Treasurer for a Covered employer to either register or submit an Employer certification.
44. "Registration notice" means the written notice or notices, which may be sent electronically, provided to certain employers directing the employers to either register or submit an Employer certification by the Registration Date.

- 45. "Roth IRA" has the same meaning as in 3 V.S.A. § 531(10).
- 46. "Specified tax-favored retirement plan" has the same meaning as in 3 V.S.A. § 531(11).
- 47. "Treasurer" means the Treasurer of the State of Vermont or one or more authorized employees thereof.
- 48. "Traditional IRA" has the same meaning as in 3 V.S.A. § 531(12).
- 49. "Wages" has the same meaning as in 3 V.S.A. § 531(16).
- 50. "Work-site employee" means an employee who is leased to a Client company by an Employee leasing company pursuant to an agreement described in 21 V.S.A. § 1031(4).

II. Employer Requirements

1. Notice of Registration

- a. As directed by the Treasurer, the Program administrator shall send Registration notices to Covered employers.
 - i. The Program administrator shall use all reasonable efforts to locate publicly available information to determine if a business entity is a Covered employer. The Program Administrator shall only send a Registration notice to a business entity that the Program administrator determines is a Covered employer.
- b. The Registration notices shall direct Covered employers to either Register with the Program (see § 2) or submit an Employer certification of exempt status (see § 3) by the Registration date.
- c. The Registration notices shall include instructions acceptable to the Treasurer.
- d. The Registration date shall be at least 30 days after the date of the first Registration notice.

2. Employer Registration Requirements

- a. A Covered employer shall Register with the Program by submitting all necessary Registration information, including both Employer information and Employee information, via an acceptable submission method on or before the Registration date.
- b. Employer information shall include:
 - i. Employer name and assumed business name, if any.
 - ii. FEIN.
 - iii. Employer mailing address.
 - iv. Name, telephone number, and email address of an individual designated by the employer to serve as the point of contact.

- v. Any additional information required by the Program administrator.
- c. Employee information shall include:
 - i. Full legal name.
 - ii. Social security number or individual taxpayer identification number.
 - iii. Date of birth.
 - iv. Street address.
 - v. Email address, if available.
 - vi. Phone number, if available.
 - vii. Any additional information required by the Program administrator.
- d. A Covered employer shall submit Employee information for all Covered employees no later than 120 days after the date of employment.
- e. After initial Registration, a Covered employer shall have a continuing obligation to:
 - i. Promptly provide the Program administrator with any new or updated Employee or Employer information.
 - ii. Promptly Register new or otherwise unregistered Covered employees.
 - iii. Promptly provide the Program administrator with any additional information needed to administer the Program.
- f. Upon the submission and review of all necessary Registration information, the Program administrator shall send a Confirmation notice to the Covered employer and send the Program information to each Covered employee. In the event that the Program administrator does not have a functioning email address for the Covered employee, the Program administrator shall send the Confirmation notice by first class mail.

3. Process to Certify Exempt Status

- a. If an employer receives a Registration notice and believes that it is not a Covered employer, an authorized representative of the employer may complete and submit an Employer certification on the Program website, attesting that the employer is exempt.
- b. After an employer submits a satisfactory and complete Employer certification, the Program administrator shall promptly provide the employer with a confirmation of the employer's exempt status. A confirmation of exempt status will remain in effect until the employer meets the criteria of a Covered employer.
- c. If an employer certification is found to be inaccurate or incomplete, or does not meet Program exemption standards, the Program administrator shall, as directed by the Treasurer, notify the employer of any necessary corrective action and the deadline by which the corrective action must be taken.

- d. An employer that offers a Specified tax-favored retirement plan and that does not receive a Registration notice is not required to take any action with respect to the Program.

4. Additional Employer Provisions

- a. A business entity that offers a Specified tax-favored retirement plan to any of its employees shall not Register with the Program, even if the plan is not offered to all employees.
- b. Covered employers shall not:
 - i. Prohibit, restrict, or discourage employee participation in the Program.
 - ii. Provide Participants or Beneficiaries financial advice or direction regarding investment choices, contribution rates, automatic escalation, or any other decision concerning the Program.
 - iii. Remit any Payroll deduction contributions for any Covered employee who opted out of the Program, unless and until the Covered employee subsequently affirmatively elects to enroll in the Program.
 - iv. Exercise any authority, control, or responsibility regarding the Program, other than those duties prescribed in statute or these rules adopted thereunder.
 - v. Make a contribution to a Participant's account.
- c. Covered employers may contact the Program administrator for technical assistance in completing Registration or other Program requirements.

5. Withholding and Remitting Payroll Deduction Contributions by Participating Employer

- a. Participating employers shall be responsible for withholding and remitting Payroll deduction contributions for Covered participants.
- b. Participating employers shall not remit Payroll deduction contributions until the end of the Opt-out period.
- c. Participating employers shall remit all Payroll deduction contributions withheld from wages to the Program administrator as soon as administratively practicable, and in no event later than 14 days from the close of the payroll period in which the wages were earned.
- d. Amounts withheld by the Participating employer for Payroll deduction contributions shall not exceed the amount of the Covered participant's wages remaining after any payroll deductions required by law or other deductions that have higher legal precedence, including a court or administrative order.

6. Multi-Party Employment Relationships

- a. If a business utilizes an Employee leasing company, the entity under which unemployment insurance contributions for work-site employees are paid, as indicated by the FEIN that appears in the Vermont Department of Labor's records, shall be the entity that is treated as the employer of the work-site employee for

purposes of the Program and shall be responsible for either certifying exempt status or Registration in accordance with this regulation.

- b. Any wages paid to a Work-site employee by an Employee leasing company shall be treated as wages received from the Client company.
- c. Nothing in this rule prohibits a party in a relationship between a Client company and an Employee leasing company from assisting another party in the relationship to comply with this rule.

III. Covered Employees, Covered Participants, and Non-Covered Participants

7. Right to Opt-Out

- a. Covered employees who have been registered with the Program have the right to Opt-out of auto-enrollment during the initial Opt-out period. No account shall be established if a Covered employee opts out during the Opt-out period.
- b. The Treasurer shall set the Opt-out period for Covered employees, which shall be not less than 30 calendar days from the date on which the Covered employee receives notice of (i) their right to Opt-out and (ii) the Opt-out period.
- c. Covered employees who Opt-out may subsequently elect to Participate at any time.
- d. If the Covered employee does not Opt-out during the Opt-out period, the Program administrator shall send a Confirmation notice to the Covered employee indicating that the Covered employee has been automatically enrolled in the Program, and that an IRA account has been opened in the Covered employee's name.
- e. A Covered participant may at any time elect to stop making Contributions, or cease participation in the Program, subject to the submission of any necessary information or forms required by the Program administrator and applicable law.

8. Non-Covered Participants

- a. Non-covered individuals may Participate in the Program by completing a self-enrollment process, approved by the Treasurer, as long as they meet the requirements to open an IRA and provide all Registration information as may be required by the Program administrator.
- b. The Program administrator shall provide Program information to Non-covered individuals as soon as administratively possible after all required Registration information has been received

IV. Accounts

9. Account Opening and Closure

- a. Participants shall have not more than one user account on the Program administrator's platform. This holds true even if a Participant makes Payroll deduction contributions through multiple employers.

- b. If a Covered employee is automatically enrolled into the Program, the Program administrator shall open a Roth IRA for the Covered employee, and any Contributions made by the Covered participant shall be made to the Roth IRA until the Covered participant elects otherwise.
- c. A Participant may affirmatively elect to open and make contributions to a Traditional IRA instead of a Roth IRA.
- d. The Program administrator shall inform Participants of the process to open a Traditional IRA instead of a Roth IRA, and how to make Contributions to a Traditional IRA. In doing so the Program administrator may direct Participants to IRS information describing the differences between Traditional and Roth IRAs.
- e. A Participant may close an account at any time.

10. Default Investment and Custom Investment Options

- a. Participants may direct their contribution to any single investment option or combination of investment options offered by the Program.
- b. During the Hold-and-sweep period, the Covered participant's Payroll deduction contributions will be directed into the Principal preservation investment, unless the Covered participant has made an affirmative election.
- c. After the Hold-and-sweep period, the Program administrator shall direct Payroll deduction contributions into the Default investment option unless the Participant has affirmatively elected a custom investment option.
- d. The Treasurer shall set the Hold-and-sweep period for Covered participants, which shall be not less than 30 calendar days from the date on which the Covered participants are automatically enrolled into the Program.

11. Contributions

- a. It shall be the responsibility of the Participant to determine:
 - i. whether they are eligible to make Contributions to an account under the Code and other applicable law;
 - ii. whether the amount of their Contributions to an account complies with the contribution limits established under the Code; and
 - iii. whether their Contributions are deductible.

12. Default Contribution Rate and Custom Contribution Rate

- a. The Default contribution rate shall be five percent of a Covered participant's wages.
- b. A Covered participant may select a Custom contribution rate at any time.
- c. The Program administrator shall provide Covered participants with instructions on how to elect a Custom contribution rate.
- d. The Program administrator may limit participants to selecting Contribution rates that are whole-number percentages. The Program administrator may allow

Covered participants to select flat-dollar Payroll deduction contributions instead of percentages.

13. Non-Payroll Contributions

- a. Any Participant may choose to make Non-payroll contributions to their account.
- b. The Program administrator may set an acceptable minimum initial Non-payroll contributions and a minimum recurring Non-payroll contribution for Non-covered participants.
- c. The Program administrator shall establish acceptable methods and procedures for making Non-payroll contributions.

14. Automatic Escalation

- a. Contributions of Covered participants who have participated in the Program for at least six months shall be subject to Automatic escalation, except as provided in this section.
- b. Under Default automatic escalation, a Covered participant's Contribution rate will automatically increase by not less than one percent of the Covered participant's wages at the beginning of each calendar year following the Covered participant's onboarding, up to a maximum of eight percent of the Covered participant's wages.
- c. The Program administrator may offer Participants the option of Custom automatic escalation (e.g. by a different percentage or dollar amount per year). If the Program administrator offers this function, the Program administrator shall establish acceptable limits and procedures pertaining to Custom automatic escalation.
- d. On at least an annual basis, the Program administrator shall notify Covered participants of any pending Automatic escalation sufficiently in advance to allow them to Opt-out of Automatic escalation, select a Custom automatic escalation (if offered), revert to Automatic escalation, or affirmatively change a Contribution rate.

15. Termination of Participating Employer Status Through Program Exemption

- a. Participating employers who will begin offering a Specified tax-favored retirement plan must provide the Program administrator and Covered participants with at least 60 days' notice prior to the cessation of Payroll deduction contributions and provide Covered Participants with information describing how to contact the Program administrator.
- b. Unless Covered participants elect otherwise, accounts will remain in the Program after the Participating employer certifies its exemption.

16. Termination of Employment

- a. If a Participant ceases to be a Covered employee by termination or other means, the account will remain open, unless they affirmatively elect to close the account, and they may continue to make Contributions to the account.

17. Portability

- a. A Participant's account may receive rollovers and transfers from other retirement savings vehicles in accordance with the Code and other applicable law.
- b. A Participant or Beneficiary may roll over or transfer all or a portion of an account to a different retirement savings vehicle in accordance with the Code. The Participant must commence the process by notifying the Program administrator and providing any information required to effectuate the rollover or transfer.

18. Withdrawals

- a. A Participant may withdraw all or a portion of funds from their account at any time by submitting a completed request to the Program administrator, in a form established by the Program administrator and permitted by the IRS.
- b. The Program shall not assess any penalty for withdrawals. Withdrawals shall be subject to any applicable state and federal income tax obligations and may be subject to penalties under the Code.

19. Abandoned Accounts

- a. An account that remains inactive for a dormancy period prescribed under applicable law may be deemed abandoned and paid or delivered under Title 27 of the Vermont Statutes Annotated or other applicable law.

V. Compliance

20. Authority

- a. The Treasurer has authority to ensure compliance with and enforce the Act and all rules adopted under the Act.

21. Complaints

- a. A Covered employee with a complaint concerning a Covered employer's conduct relating to the Act or any rules adopted thereunder may submit the complaint to the Treasurer in writing, by phone, by email, or through any other means permitted by the Treasurer.
- b. All complaints concerning a Covered employer's compliance with this chapter received by any other State of Vermont agency shall be referred to the Treasurer.
- c. The Treasurer shall maintain on the Program's website instructions and information relating to the submission of a complaint, including an email address, phone number, and other relevant contact information.

- d. All complaints shall be held and treated as confidential to the extent permitted by applicable law.
- e. The Treasurer shall promptly review, investigate, and attempt to resolve informally all complaints submitted under this Section.

22. Enforcement

- a. If the Treasurer determines that a Covered employer is not in compliance with the Act or any rules adopted thereunder, they shall issue or cause to be issued, a notice to the Covered employer outlining the nature and extent of the alleged noncompliance, providing instructions for compliance, and specifying the potential administrative penalties for noncompliance.
- b. If a Covered employer to which an enforcement notice is issued does not come into compliance within 90 days of the date the notice was issued, the Treasurer may impose administrative penalties against a Covered employer that fails to comply with the Act, or any rules adopted thereunder, which penalties shall not exceed those established in 3 V.S.A. § 535.
- c. A Covered employer shall have a right to appeal a final order imposing a penalty within 30 days of the day the notice of the decision was mailed to the Covered employer.

23. Compliance Monitoring

- a. The Treasurer shall, with or without a complaint, monitor the status of Covered employers' compliance with this chapter, including through review of available data and documents.

VI. Severability

- 24. If any provision of this rule is found to be invalid, the other provisions of this rule shall remain in full force and effect.

**Office of the State Treasurer
Vermont Saves Program Rule**

I. Definitions

1. "Acceptable submission method" means one or more modes of document submission detailed on the Program website.
2. "Account" means an Individual Retirement Account that has been established under the Program.
3. "Act" means 3 V.S.A. chapter 18.
4. "Automatic escalation" means a one percent annual increase in a Covered participant's contribution level at the beginning of each calendar year following the Covered Participant's Onboarding.
5. "Beneficiary" means an individual, person, or entity entitled to receive the proceeds of a Program account upon the death of a Participant.
6. "Client company" has the same meaning as in 21 V.S.A. §1031(3).
7. "Code" means the Internal Revenue Code of 1986, as amended, and any U.S. Department of Treasury regulations, rulings, announcements, or other guidance issued thereunder.
8. "Confirmation notice" means a document sent by the Program administrator to Covered employees to notify them that they have been enrolled in the Program.
9. "Contribution" means monies contributed to an Account.
10. "Contribution level" has the same meaning as in 3 V.S.A. § 531(1).
11. "Covered employee" means a "covered employee," as that term is defined in 3 V.S.A. § 531(2), who is employed by a covered employer for 500 or more hours during a calendar year.
12. "Covered employer" means a 'covered employer,' as that term is defined in 3 V.S.A. § 531(3), that employs five or more employees at any time during a calendar year.
13. "Covered participant" means a Covered employee who is a Participant in the Program.
14. "Custom automatic escalation" means an automatic annual increase to a Participant's Contribution rate affirmatively selected by the Participant, subject to the limitations imposed by the Program administrator or applicable law.

15. "Custom contribution rate" means a Contribution rate affirmatively selected by a Covered participant, subject to the limitations imposed by the Program or applicable law.
16. "Default contribution rate" means five percent of a Covered participant's wages
17. "Default investment option" means the investment option that will receive Contributions if the Participant does not select a different investment option or options.
18. "Employee information" means the information relating to Covered employees that a Covered employer is required to provide to the Program administrator to complete registration.
19. "Employee leasing company" has the same meaning as in 21 V.S.A. § 1031(5).
20. "Employer certification" means the certification submitted by an employer to the Program administrator certifying that said employer does not meet the definition of a Covered employer.
21. "Employer information" means the information relating to a covered employer's business that the covered employer is required to provide to the Program administrator as part of registration.
22. "ERISA" means the federal Employee Retirement Income Security Act of 1974 [29 U.S.C. § 1001 et seq.], as amended.
23. "Exempt" means not required to Onboard or Participate in the Program.
24. "FEIN" means the federal "Employer Identification Number" provided by the IRS.
25. "Hold and sweep period" means a period after the end of the Opt-out period during which time a Covered participant's contributions are held in a principal preservation investment, unless the Covered participant makes an affirmative election otherwise.
26. "IRA" has the meaning set forth in 3 V.S.A. § 531(6).
27. "IRS" means the Internal Revenue Service.
28. "Non-covered individual" means a person who is not a Covered employee.
29. "Non-covered participant" means a participant who is not a Covered employee.
30. "Non-payroll contribution" means a contribution that a Participant remits outside of a payroll deduction contribution.

31. "Onboard" or "Onboarding" refers to the process by which Covered employers, Covered employees, and Participants furnish all required information to the Program administrator in order to participate in the Program.
32. "Opt-out" means a covered employee affirmatively declines the option of being automatically enrolled into the Program.
33. "Opt-out period" means the period of time following the provision of Program information to a Covered employee during which a Covered employee may opt out of automatic enrollment into the Program.
34. "Participant" means an individual for whom an account is held under the Program, whether they are a "non-covered" or "covered" Participant as defined in this rule.
35. "Participate" means to have an account open with the Program.
36. "Participating employer" means a Covered employer that is remitting Covered participant contributions.
37. "Payroll deduction contribution" means a Contribution made by a Covered participant via a payroll deduction IRA arrangement with a Participating employer.
38. "Principal preservation investment" means a money market fund or other conservative, highly liquid investment offered as an investment option in the Program.
39. "Program" means the VT Saves Program established under 3 V.S.A. chapter 18.
40. "Program administrator" means the third-party entity procured by the State Treasurer to provide recordkeeping and related services for the Program.
41. "Program information" means the document or documents provided by the Program administrator to participants that details the investment options and other Program features.
42. "Register" or "Registration" means the process for Covered employers to submit registration information, including Employee and Employer information, to the Program administrator.
43. "Registration date" means the deadline established by the State Treasurer for a Covered employer to either register or submit an Employer certification.
44. "Registration notice" means the written notice or notices, which may be sent electronically, provided to certain employers directing the employers to either register or submit an Employer certification by the Registration Date.

- 45. "Roth IRA" has the same meaning as in 3 V.S.A. § 531(10).
- 46. "Specified tax-favored retirement plan" has the same meaning as in 3 V.S.A. § 531(11).
- 47. "Treasurer" means the Treasurer of the State of Vermont or one or more authorized employees thereof.
- 48. "Traditional IRA" has the same meaning as in 3 V.S.A. § 531(12).
- 49. "Wages" has the same meaning as in 3 V.S.A. § 531(16).
- 50. "Work-site employee" means an employee who is leased to a Client company by an Employee leasing company pursuant to an agreement described in 21 V.S.A. § 1031(4).

II. Employer Requirements

1. Notice of Registration

- a. As directed by the Treasurer, the Program administrator shall send Registration notices to Covered employers.
 - i. The Program administrator shall use all reasonable efforts to locate publicly available information to determine if a business entity is a Covered employer. The Program Administrator shall only send a Registration notice to a business entity that the Program administrator determines is a Covered employer.
- b. The Registration notices shall direct Covered employers to either Register with the Program (see § 2) or submit an Employer certification of exempt status (see § 3) by the Registration date.
- c. The Registration notices shall include instructions acceptable to the Treasurer.
- d. The Registration date shall be at least 30 days after the date of the first Registration notice.

2. Employer Registration Requirements

- a. A Covered employer shall Register with the Program by submitting all necessary Registration information, including both Employer information and Employee information, via an acceptable submission method on or before the Registration date.
- b. Employer information shall include:
 - i. Employer name and assumed business name, if any.
 - ii. FEIN.
 - iii. Employer mailing address.
 - iv. Name, telephone number, and email address of an individual designated by the employer to serve as the point of contact.

- v. Any additional information required by the Program administrator.
- c. Employee information shall include:
 - i. Full legal name.
 - ii. Social security number or individual taxpayer identification number.
 - iii. Date of birth.
 - iv. Street address.
 - v. Email address, if available.
 - vi. Phone number, if available.
 - vii. Any additional information required by the Program administrator.
- d. A Covered employer shall submit Employee information for all Covered employees no later than 120 days after the date of employment.
- e. After initial Registration, a Covered employer shall have a continuing obligation to:
 - i. Promptly provide the Program administrator with any new or updated Employee or Employer information.
 - ii. Promptly Register new or otherwise unregistered Covered employees.
 - iii. Promptly provide the Program administrator with any additional information needed to administer the Program.
- f. Upon the submission and review of all necessary Registration information, the Program administrator shall send a Confirmation notice to the Covered employer and send the Program information to each Covered employee. In the event that the Program administrator does not have a functioning email address for the Covered employee, the Program administrator shall send the Confirmation notice by first class mail.

3. Process to Certify Exempt Status

- a. If an employer receives a Registration notice and believes that it is not a Covered employer, an authorized representative of the employer may complete and submit an Employer certification on the Program website, attesting that the employer is exempt.
- b. After an employer submits a satisfactory and complete Employer certification, the Program administrator shall promptly provide the employer with a confirmation of the employer's exempt status. A confirmation of exempt status will remain in effect until the employer meets the criteria of a Covered employer.
- c. If an employer certification is found to be inaccurate or incomplete, or does not meet Program exemption standards, the Program administrator shall, as directed by the Treasurer, notify the employer of any necessary corrective action and the deadline by which the corrective action must be taken.

- d. An employer that offers a Specified tax-favored retirement plan and that does not receive a Registration notice is not required to take any action with respect to the Program.

4. Additional Employer Provisions

- a. A business entity that offers a Specified tax-favored retirement plan to any of its employees shall not Register with the Program, even if the plan is not offered to all employees.
- b. Covered employers shall not:
 - i. Prohibit, restrict, or discourage employee participation in the Program.
 - ii. Provide Participants or Beneficiaries financial advice or direction regarding investment choices, contribution rates, automatic escalation, or any other decision concerning the Program.
 - iii. Remit any Payroll deduction contributions for any Covered employee who opted out of the Program, unless and until the Covered employee subsequently affirmatively elects to enroll in the Program.
 - iv. Exercise any authority, control, or responsibility regarding the Program, other than those duties prescribed in statute or these rules adopted thereunder.
 - v. Make a contribution to a Participant's account.
- c. Covered employers may contact the Program administrator for technical assistance in completing Registration or other Program requirements.

5. Withholding and Remitting Payroll Deduction Contributions by Participating Employer

- a. Participating employers shall be responsible for withholding and remitting Payroll deduction contributions for Covered participants.
- b. Participating employers shall not remit Payroll deduction contributions until the end of the Opt-out period.
- c. Participating employers shall remit all Payroll deduction contributions withheld from wages to the Program administrator as soon as administratively practicable, and in no event later than 14 days from the close of the payroll period in which the wages were earned.
- d. Amounts withheld by the Participating employer for Payroll deduction contributions shall not exceed the amount of the Covered participant's wages remaining after any payroll deductions required by law or other deductions that have higher legal precedence, including a court or administrative order.

6. Multi-Party Employment Relationships

- a. If a business utilizes an Employee leasing company, the entity under which unemployment insurance contributions for work-site employees are paid, as indicated by the FEIN that appears in the Vermont Department of Labor's records, shall be the entity that is treated as the employer of the work-site employee for

purposes of the Program and shall be responsible for either certifying exempt status or Registration in accordance with this regulation.

- b. Any wages paid to a Work-site employee by an Employee leasing company shall be treated as wages received from the Client company.
- c. Nothing in this rule prohibits a party in a relationship between a Client company and an Employee leasing company from assisting another party in the relationship to comply with this rule.

III. Covered Employees, Covered Participants, and Non-Covered Participants

7. Right to Opt-Out

- a. Covered employees who have been registered with the Program have the right to Opt-out of auto-enrollment during the initial Opt-out period. No account shall be established if a Covered employee opts out during the Opt-out period.
- b. The Treasurer shall set the Opt-out period for Covered employees, which shall be not less than 30 calendar days from the date on which the Covered employee receives notice of (i) their right to Opt-out and (ii) the Opt-out period.
- c. Covered employees who Opt-out may subsequently elect to Participate at any time.
- d. If the Covered employee does not Opt-out during the Opt-out period, the Program administrator shall send a Confirmation notice to the Covered employee indicating that the Covered employee has been automatically enrolled in the Program, and that an IRA account has been opened in the Covered employee's name.
- e. A Covered participant may at any time elect to stop making Contributions, or cease participation in the Program, subject to the submission of any necessary information or forms required by the Program administrator and applicable law.

8. Non-Covered Participants

- a. Non-covered individuals may Participate in the Program by completing a self-enrollment process, approved by the Treasurer, as long as they meet the requirements to open an IRA and provide all Registration information as may be required by the Program administrator.
- b. The Program administrator shall provide Program information to Non-covered individuals as soon as administratively possible after all required Registration information has been received

IV. Accounts

9. Account Opening and Closure

- a. Participants shall have not more than one user account on the Program administrator's platform. This holds true even if a Participant makes Payroll deduction contributions through multiple employers.

- b. If a Covered employee is automatically enrolled into the Program, the Program administrator shall open a Roth IRA for the Covered employee, and any Contributions made by the Covered participant shall be made to the Roth IRA until the Covered participant elects otherwise.
- c. A Participant may affirmatively elect to open and make contributions to a Traditional IRA instead of a Roth IRA.
- d. The Program administrator shall inform Participants of the process to open a Traditional IRA instead of a Roth IRA, and how to make Contributions to a Traditional IRA. In doing so the Program administrator may direct Participants to IRS information describing the differences between Traditional and Roth IRAs.
- e. A Participant may close an account at any time.

10. Default Investment and Custom Investment Options

- a. Participants may direct their contribution to any single investment option or combination of investment options offered by the Program.
- b. During the Hold-and-sweep period, the Covered participant's Payroll deduction contributions will be directed into the Principal preservation investment, unless the Covered participant has made an affirmative election.
- c. After the Hold-and-sweep period, the Program administrator shall direct Payroll deduction contributions into the Default investment option unless the Participant has affirmatively elected a custom investment option.
- d. The Treasurer shall set the Hold-and-sweep period for Covered participants, which shall be not less than 30 calendar days from the date on which the Covered participants are automatically enrolled into the Program.

11. Contributions

- a. It shall be the responsibility of the Participant to determine:
 - i. whether they are eligible to make Contributions to an account under the Code and other applicable law;
 - ii. whether the amount of their Contributions to an account complies with the contribution limits established under the Code; and
 - iii. whether their Contributions are deductible.

12. Default Contribution Rate and Custom Contribution Rate

- a. The Default contribution rate shall be five percent of a Covered participant's wages.
- b. A Covered participant may select a Custom contribution rate at any time.
- c. The Program administrator shall provide Covered participants with instructions on how to elect a Custom contribution rate.
- d. The Program administrator may limit participants to selecting Contribution rates that are whole-number percentages. The Program administrator may allow

Covered participants to select flat-dollar Payroll deduction contributions instead of percentages.

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- a. Any Participant may choose to make Non-payroll contributions to their account.
- b. The Program administrator may set an acceptable minimum initial Non-payroll contributions and a minimum recurring Non-payroll contribution for Non-covered participants.
- c. The Program administrator shall establish acceptable methods and procedures for making Non-payroll contributions.

14. Automatic Escalation

- a. Contributions of Covered participants who have participated in the Program for at least six months shall be subject to Automatic escalation, except as provided in this section.
- b. Under Default automatic escalation, a Covered participant's Contribution rate will automatically increase by not less than one percent of the Covered participant's wages at the beginning of each calendar year following the Covered participant's onboarding, up to a maximum of eight percent of the Covered participant's wages.
- c. The Program administrator may offer Participants the option of Custom automatic escalation (e.g. by a different percentage or dollar amount per year). If the Program administrator offers this function, the Program administrator shall establish acceptable limits and procedures pertaining to Custom automatic escalation.
- d. On at least an annual basis, the Program administrator shall notify Covered participants of any pending Automatic escalation sufficiently in advance to allow them to Opt-out of Automatic escalation, select a Custom automatic escalation (if offered), revert to Automatic escalation, or affirmatively change a Contribution rate.

15. Termination of Participating Employer Status Through Program Exemption

- a. Participating employers who will begin offering a Specified tax-favored retirement plan must provide the Program administrator and Covered participants with at least 60 days' notice prior to the cessation of Payroll deduction contributions and provide Covered Participants with information describing how to contact the Program administrator.
- b. Unless Covered participants elect otherwise, accounts will remain in the Program after the Participating employer certifies its exemption.

16. Termination of Employment

- a. If a Participant ceases to be a Covered employee by termination or other means, the account will remain open, unless they affirmatively elect to close the account, and they may continue to make Contributions to the account.

17. Portability

- a. A Participant's account may receive rollovers and transfers from other retirement savings vehicles in accordance with the Code and other applicable law.
- b. A Participant or Beneficiary may roll over or transfer all or a portion of an account to a different retirement savings vehicle in accordance with the Code. The Participant must commence the process by notifying the Program administrator and providing any information required to effectuate the rollover or transfer.

18. Withdrawals

- a. A Participant may withdraw all or a portion of funds from their account at any time by submitting a completed request to the Program administrator, in a form established by the Program administrator and permitted by the IRS.
- b. The Program shall not assess any penalty for withdrawals. Withdrawals shall be subject to any applicable state and federal income tax obligations and may be subject to penalties under the Code.

19. Abandoned Accounts

- a. An account that remains inactive for a dormancy period prescribed under applicable law may be deemed abandoned and paid or delivered under Title 27 of the Vermont Statutes Annotated or other applicable law.

V. Compliance

20. Authority

- a. The Treasurer has authority to ensure compliance with and enforce the Act and all rules adopted under the Act.

21. Complaints

- a. A Covered employee with a complaint concerning a Covered employer's conduct relating to the Act or any rules adopted thereunder may submit the complaint to the Treasurer in writing, by phone, by email, or through any other means permitted by the Treasurer.
- b. All complaints concerning a Covered employer's compliance with this chapter received by any other State of Vermont agency shall be referred to the Treasurer.
- c. The Treasurer shall maintain on the Program's website instructions and information relating to the submission of a complaint, including an email address, phone number, and other relevant contact information.

- d. All complaints shall be held and treated as confidential to the extent permitted by applicable law.
- e. The Treasurer shall promptly review, investigate, and attempt to resolve informally all complaints submitted under this Section.

22. Enforcement

- a. If the Treasurer determines that a Covered employer is not in compliance with the Act or any rules adopted thereunder, they shall issue or cause to be issued, a notice to the Covered employer outlining the nature and extent of the alleged noncompliance, providing instructions for compliance, and specifying the potential administrative penalties for noncompliance.
- b. If a Covered employer to which an enforcement notice is issued does not come into compliance within 90 days of the date the notice was issued, the Treasurer may impose administrative penalties against a Covered employer that fails to comply with the Act, or any rules adopted thereunder, which penalties shall not exceed those established in 3 V.S.A. § 535.
- c. A Covered employer shall have a right to appeal a final order imposing a penalty within 30 days of the day the notice of the decision was mailed to the Covered employer.

23. Compliance Monitoring

- a. The Treasurer shall, with or without a complaint, monitor the status of Covered employers' compliance with this chapter, including through review of available data and documents.

VI. Severability

24. If any provision of this rule is found to be invalid, the other provisions of this rule shall remain in full force and effect.

The Vermont Statutes Online

The Statutes below include the actions of the 2025 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 3 : Executive

Chapter 018 : Vermont Saves

(Cite as: 3 V.S.A. § 533)

§ 533. Duties of the State Treasurer

In carrying out the purposes of this chapter, the Treasurer:

(1) May adopt such rules, pursuant to the Vermont Administrative Procedure Act, as the Treasurer determines to be necessary or advisable for the implementation and general administration and operation of the Program, including rules governing:

(A) the distribution of funds from the Program and promoting portability of benefits, including the ability to make tax-free rollovers or transfers from IRAs under the Program to other IRAs or to tax-qualified plans that accept such rollovers or transfers; and

(B) that each participant's initial contributions, up to a specified dollar amount or for a specified period of time, are required to be invested in a principal preservation investment or must be defaulted into such an investment, unless the participant affirmatively opts for a different investment for those contributions.

(2) May make and enter into contracts, agreements, memoranda of understanding, arrangements, partnerships, or other arrangements to collaborate, cooperate, coordinate, contract, or combine resources, investments, or administrative functions with other governmental entities, including states or their agencies or instrumentalities that maintain or are establishing retirement savings programs compatible with the Program, including collective, common, or pooled investments with other funds of other states' programs with which the assets of the Program and Trust are permitted by law to be collectively invested, to the extent necessary or desirable for the effective and efficient design, administration, and implementation of the Program. The Treasurer is authorized to use sole source or simplified bid processes as may be consistent with the purposes of this chapter.

(3) May contract with financial institutions, a trustee, a record keeper, investment

managers, investment advisors, other administrative, professional and expert advisors and service providers or other organizations offering or servicing retirement programs.

(4) Shall establish criteria and guidelines for the Program to offer qualified retirement investment choices.

(5) Shall cause the Program and accounts established under the Program to be designed, established, invested, and operated in accordance with best practices for retirement savings accounts and to avoid preemption of the Program by federal law.

(6) May apply for and accept any grants, gifts, legislative appropriations, loans, and other funds from the State, any unit of federal, state, or local government or any other person, firm, or entity to defray Program costs.

(7) Shall evaluate the need for, and procure if necessary, insurance against any loss in connection with the property, assets, or activities of the Program as well as establish procedures for abandoned accounts pursuant to 27 V.S.A. chapter 13.

(8) Shall enter into agreement with the Vermont Department of Taxes to:

(A) facilitate the checking of Program eligibility for employers and employees;
and

(B) pursuant to 32 V.S.A. § 3102(e), share tax return information sufficient to verify wages to determine the ability of an individual to be covered by the Program.

(9) May enter into an intergovernmental agreement or memorandum of understanding with any agency or instrumentality of the State to receive outreach, technical assistance, enforcement, and compliance services; collection or dissemination of information pertinent to the Program, subject to such obligations of confidentiality as may be agreed to or required by law; or other services or assistance. The State and any agencies or instrumentalities of the State that enter into such agreements or memoranda of understanding shall collaborate to provide the outreach, assistance, information, and compliance or other services or assistance to the Program. The agreements or memoranda of understanding may cover the sharing of costs incurred in gathering and disseminating information and the reimbursement of costs for any enforcement activities or assistance.

(10) Discharge the Treasurer's duties as fiduciary with respect to the Program solely in the interest of the Participants as follows: for the exclusive purpose of providing benefits to Participants and defraying reasonable expenses of administering the Program and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims. (Added 2023, No. 43, § 1, eff. July 1, 2023.)



Proposed Rules Postings

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Deadline For Public Comment

Deadline: Dec 15, 2025

The deadline for public comment has expired. Contact the agency or primary contact person listed below for assistance.

Rule Details

Rule Number:	25P039
Title:	Vermont Saves Program Rule.
Type:	Standard
Status:	Final Proposed
Agency:	Office of State Treasurer
Legal Authority:	3 V.S.A. § 533(1)
Summary:	The Vermont Saves Program Rule makes two amendments to the existing Rules implemented in 2024 pursuant to 3 V.S.A. Chapter 18. These amendments change the following definitions in CVR 03-000-003, Sec. 1: 11. "Covered employee" means a "covered employee," as that term is defined

Persons Affected:

in 3 V.S.A. § 531(2). 12. "Covered employer" means a 'covered employer,' as that term is defined in 3 V.S.A. § 531(3), that employs two or more employees at any time during a calendar year. These changes will require the participation of more employers and employees in the program by broadening the membership criteria in statute.

The Rule primarily affects employers in the State with two or more employees who do not offer a workplace retirement plan and all eligible employees who are automatically enrolled in the Program. The rule may also affect financial advisers and payroll companies who are contacted about retirement or other workplace benefits that are an alternative to the Vermont Saves Program.

Economic Impact:

In its first year of implementation, Vermont Saves has helped thousands of Vermonters invest millions of dollars in retirement accounts through the Program. Enlarging the participant pool will enable more Vermonters to begin saving for retirement.

Posting date:

Nov 05,2025

Hearing Information

Information for Hearing # 1

Hearing date:

12-08-2025 10:00 AM

[ADD TO YOUR CALENDAR](#)

Location:

Pavilion Bldg.

Address:

109 State Street, 4th Floor

City:

Montpelier

State:

VT

Zip:

05609

Hearing Notes:

also virtually via MS Teams: <https://teams.microsoft.com/meet/258808360283?pTvESIBCBDN0XLmP5sB>

Information for Hearing # 2

Hearing date:

12-08-2025 10:00 AM

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State:

VT

Zip:

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Hearing Notes:

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Contact Information

Information for Primary Contact

PRIMARY CONTACT PERSON - A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE.

Level: Primary
Name: Becky Wasserman
Agency: Office of State Treasurer
Address: 109 State Street, Suite 4
City: Montpelier
State: VT
Zip: 05609
Telephone: 802-498-3466
Fax:
Email: becky.wasserman@vermont.gov

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Website Address: <https://www.vermonttreasurer.gov/vt-saves>

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Information for Secondary Contact

SECONDARY CONTACT PERSON - A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON.

Level: Secondary
Name: Justin St. James
Agency: Office of State Treasurer
Address: 109 State Street, Suite 4
City: Montpelier
State: VT
Zip: 05609
Telephone: 802-917-2785
Fax:
Email: justin.stjames@vermont.gov

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Keyword Information

Keywords:

Retirement
Vermont Saves
IRA

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	The Islander (islander@vermontislander.com)	Tel: 802-372-5600 FAX: 802-372-3025
	Vermont Lawyer (hunter.press.vermont@gmail.com)	Attn: Will Hunter

FROM: APA Coordinator, VSARA

Date of Fax: December 22, 2025

RE: The "Proposed State Rules " ad copy to run on

November 13, 2025

PAGES INCLUDING THIS COVER MEMO:

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***NOTE* 8-pt font in body. 12-pt font max. for headings - single space body. Please include dashed lines where they appear in ad copy. Otherwise minimize the use of white space. Exceptions require written approval.**

If you have questions, or if the printing schedule of your paper is disrupted by holiday etc. please contact VSARA at 802-828-3700, or E-Mail sos.statutoryfilings@vermont.gov, Thanks.

PROPOSED STATE RULES

By law, public notice of proposed rules must be given by publication in newspapers of record. The purpose of these notices is to give the public a chance to respond to the proposals. The public notices for administrative rules are now also available online at <https://secure.vermont.gov/SOS/rules/>. The law requires an agency to hold a public hearing on a proposed rule, if requested to do so in writing by 25 persons or an association having at least 25 members.

To make special arrangements for individuals with disabilities or special needs please call or write the contact person listed below as soon as possible.

To obtain further information concerning any scheduled hearing(s), obtain copies of proposed rule(s) or submit comments regarding proposed rule(s), please call or write the contact person listed below. You may also submit comments in writing to the Legislative Committee on Administrative Rules, State House, Montpelier, Vermont 05602 (802-828-2231).

Vermont Saves Program Rule.

Vermont Proposed Rule: 25P039

AGENCY: Office of the Treasurer

CONCISE SUMMARY: The Vermont Saves Program Rule makes two amendments to the existing Rules implemented in 2024 pursuant to 3 V.S.A. Chapter 18. These amendments change the following definitions in CVR 03-000-003, Sec. 1: 11. "Covered employee" means a "covered employee," as that term is defined in 3 V.S.A. § 531(2). 12. "Covered employer" means a 'covered employer,' as that term is defined in 3 V.S.A. § 531(3), that employs two or more employees at any time during a calendar year. These changes will require the participation of more employers and employees in the program by broadening the membership criteria in statute.

FOR FURTHER INFORMATION, CONTACT: Becky Wasserman, Office of the State Treasurer, 109 State Street, Suite 4, Montpelier, VT 05609 Tel: 802-498-3466 E-Mail: becky.wasserman@vermont.gov URL: <https://www.vermonttreasurer.gov/vt-saves>.

FOR COPIES: Justin St. James, Office of the State Treasurer, 109 State Street, Suite 4, Montpelier, VT 05609 Tel: 802-917-2785 E-Mail: justin.stjames@vermont.gov.
