



Office of the State Treasurer  
Economic Empowerment Division Updates  
Vermont Saves and Baby Bonds

SENATE ECONOMIC DEVELOPMENT, HOUSING, AND  
GENERAL AFFAIRS

APRIL 18, 2026

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# Vermont Saves

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# Overview of Vermont Saves

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## EMPLOYERS

**5 or more  
employees**

**Do not offer a  
retirement plan**

**In business for  
2 years**

## EMPLOYEES

**Employed in  
Vermont**

**Aged 18 years  
or older**

**Social security  
number**

# Primary Features of Vermont Saves

## Automatic Enrollment For Employees

Participation is voluntary for employees

Employees can opt out at any time

## Public/Private Partnership

Professionally managed and advised by financial services companies

## Simple for Employers and Employees

Enrollment and registration is fast and easy

# Employer's Role in Three Easy Steps

- No program fee
- Sign-up is fast and easy
- Works with payroll processes and can be managed by payroll providers

## Employers facilitate the program

1

### Register

Go to [VTSaves.vermont.gov](https://VTSaves.vermont.gov) to register

2

### Send Contributions

Set up a payroll deduction and send contributions

3

### Maintenance

Continue to send payroll contributions and maintain employee records

# Vermont Saves Program Details

Employees will be automatically enrolled  
in a Roth IRA

- 5% of employee wages will be automatically withdrawn from each paycheck
- Increasing 1% per year up to a maximum of 8%
- Default Investment: Capital Preservation Fund; Target Date Suite of Funds

# Vermont Saves Program Details

## Employees will have Choices

- Employees can opt out of the plan
- Employees can change the percentage of wages contributed
- Employees can choose their investment options

# Program Updates

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## Important Dates

- **Pilot Launch: October 1, 2024**
- **Program Open Date: December 1, 2024**
- **Enrollment End Date: February 28, 2025**

## Enrollment Updates

- **As of April 7<sup>th</sup>:**
  - **1622 funded accounts**
  - **\$268,608 assets under management**
  - **1030 registered employers**
  - **47.47% unregistered rate**

# Proposed Legislative Changes

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- Rename the program in statute from “VT Saves” to “Vermont Saves”
- Clarify the ability of accountholders to have both a Traditional IRA and a Roth IRA simultaneously;
- Modify the auto-escalation cap from 8% to 10%; and
- Amend the eligibility criteria for employers.

# Vermont Baby Bonds Pilot

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- Baby bonds typically consist of an investment made into a trust fund for children from low- to moderate-income families or children who do not have assets.
- Funds are intended to grow until recipients reach adulthood and may be used by eligible individuals for asset-building purposes, including pursuing post-secondary education, buying a home, saving for retirement, or starting a business.
- In 2023 (Act 184), the Legislature authorized the Office of the State Treasurer to create a Baby Bond Pilot Program to be funded at the outset by philanthropic dollars.

# Vermont Baby Bonds Pilot

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To date, the Treasurer's Office has:

- Proposed a program design focus to include a cohort of teenagers on Medicaid in the Northeast Kingdom;
- Drafted a funding proposal and initiated conversations with proposed funders;
- Established a Baby Bonds Advisory Committee, consisting of local and national experts, to provide feedback on the program design and stakeholder engagement;
- Commenced drafting an RFI for a research and evaluation partner; and
- Joined a National Baby Bonds Coalition Network and a learning community for other baby bonds pilots.

# Proposed Legislative Changes

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- Create a separate baby bonds pilot program section to more clearly distinguish the Pilot from the permanent trust program and to direct the Treasurer to include certain parameters in the design of the Pilot.
- Establish ongoing annual reporting requirements during the term of the Pilot as well as a final report upon completion of the Pilot that analyzes its impact.
- Create a separate special fund for the Pilot that is separate from the Trust created in 3 V.S.A. § 608.
- Request a one-time appropriation to assist with the administrative costs for implementing the Pilot.