

BUSINESS

State-Mandated Retirement Plans: Things Small Biz Needs to Know

Commentary by
Anthony Bunnell

In today's corporate retirement landscape, more and more states are passing laws that require businesses of certain sizes to automatically enroll employees into an IRA or other qualifying retirement plan. If you are a small business owner, this recent wave of state legislation may apply to you.

Different states have different laws and are at different stages of implementation, and it can be a lot to keep track of, to say the least. Let's walk through some essentials to help you parse through what state requirements may mean for you and how you can discern the best next step for your business.

NO. 1: STATE-MANDATED RETIREMENT PLANS ARE LIKELY THE FUTURE FOR SMALL BUSINESSES

New state laws are attempting to solve a problem: Few private sector workers in the U.S. save for retirement without an employer-sponsored retirement plan, but only about half have access to one. And since small to mid-sized businesses employ nearly half of the American workforce, the logic is that small businesses can play a strategic role in adequately preparing more workers for retirement. It makes sense: Americans are 15 times more likely to save for retirement through the workplace. For small businesses and their employees, retirement plans mean building for the future.

Find out when and how new state laws may apply to your business so you can continue to operate smoothly and avoid penalties: California, Colorado, Connecticut, Illinois, Maryland, Massachusetts, Oregon, Virginia, and Washington already require small businesses to provide auto-enrollment in retirement plans. Next in line are Maine, New Jersey, New Mexico, and Vermont, where laws have passed and are in the process of implementation. Legislation is also on the docket in Delaware, Hawaii, Minnesota, Nevada, New York, and Vermont.

NO. 2: THERE IS A STRONG BUSINESS CASE FOR OFFERING A RETIREMENT PLAN

Beyond fulfilling state law requirements, a retirement plan can help your business attract talent, control costs, and build for the future: 89% of employees would be more invested in staying at their company if it provided financial benefits that met their needs, and nearly 3 in 5 rank retirement planning assistance as a high priority when choosing where to work. Remember, if employees feel supported, they can focus more fully on contributing to your business' success. But if employees leave to find greener pastures, replacing them can cost between one-half to two times their annual salary.

Along with boosting employee retention and productivity, retirement plans can also open the door to many cost-saving strategies for small businesses. Some fees and administrative expenses are tax-deductible, and the federal government offers incentives for small business retirement plans, including through the SECURE 2.0 Act. Additionally, your retirement plan providers can help you customize and streamline plan design, setup, and ad-



ADOBE STOCK

Few private-sector workers save for retirement without an employer-sponsored retirement plan, so it's important for small businesses to take steps now to set up a strategy.

ministration. With the right plan and support, your retirement plan can become a competitive advantage.

NO. 3: YOU CAN SELECT THE RIGHT RETIREMENT OFFERING FOR YOUR BUSINESS

Think of state requirements as an opportunity to tailor benefits solutions that better support your business and employees—and there are many options to choose from.

Most states leverage an automatic Roth IRA to provide small business employees with built-in contribution rates of 3-5%, auto-escalation features, and access to a qualified default investment alternative (QDIA) such as a target date funds, without requiring an employer match. This may work for your business, but there are also other options.

For example, Simplified Employee Pension (SEP) or Savings Incentive Match Plan for Employees (SIMPLE) IRAs allow employees to put pre-tax contributions toward retirement and are relatively simple to set up and administer. And a 401(k) plan allows employees to automatically withdraw funds from their paychecks to invest toward retirement, with tax breaks. A 401(k) plan allows employees to contribute greater amounts than a Roth IRA, and there is no income limit for employees to contribute to a Roth 401(k) plan. A 401(k) can also give your company an edge by allowing you to match employee contributions up to a certain percentage.

Research all your choices and consult legal and tax experts so you can make an informed decision about which solutions best suit your business. You may also want to connect with a Financial Advisor: We've found retirement plan sponsors for businesses of all sizes said that one of the top advantages of working with a Financial Advisor is receiving guidance for regulatory concerns. Additionally, 87% of retirement plan sponsors say that working with a Financial Advisor on their workplace retirement plan helps improve participant outcomes.

NO. 4: SEIZE THE OPPORTUNITY

Workplace retirement solutions have never been more accessible, affordable, or timely. Since retirement savings vehicles are becoming an increasingly popular legislative priority, it's important for small businesses to take steps now to plan and set up a strategy. You don't have to navigate state legislation and workplace retirement solutions by yourself: Your legal, tax, and financial professionals can help you weigh all your choices when considering a retirement plan for your small business.

Anthony Bunnell is head of retirement solutions and nonqualified deferred compensation at Morgan Stanley at Work.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **COUNCIL ZONING MEETING** on **October 18, 2023 beginning at 6:00 PM** to consider a small-scale future land use map amendment to the City's Comprehensive Plan. The City Council will consider this item for **SECOND READING**. The meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2023-26

AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING A SMALL-SCALE LAND USE AMENDMENT TO THE CITY OF DORAL COMPREHENSIVE PLAN FUTURE LAND USE MAP, TO CHANGE THE LAND USE CATEGORIES FROM OFFICE AND RESIDENTIAL (O-R) AND BUSINESS (B), TO SOLELY BUSINESS (B) FOR ±1.86 ACRES FOR THE PROPERTY LOCATED AT 8080 NW 36 STREET; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS, AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 23-10-DOR-02

APPLICANT: City of Doral (the "Applicant")

PROJECT NAME: City of Doral Future Land Use Map Amendment

LOCATION: 8080 NW 36 Street, Doral, Florida 33136

FOLIO NUMBER: 35-3027-001-0091

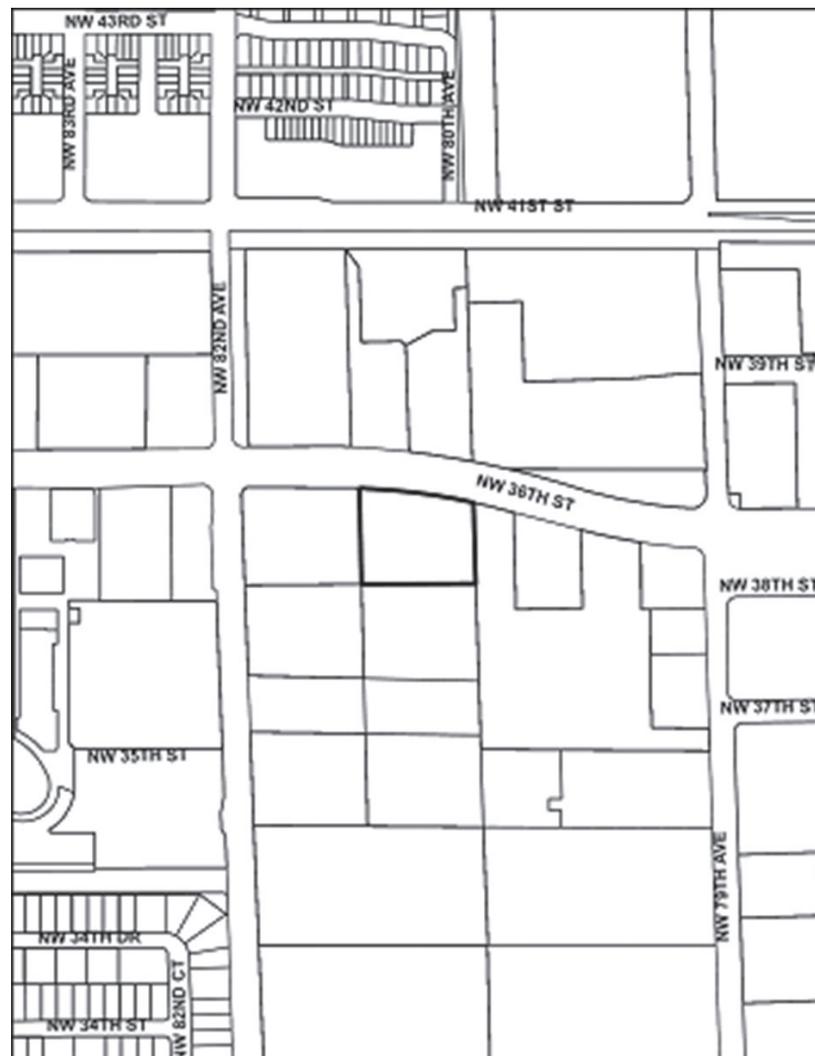
SIZE OF PROPERTY: ±1.86 acres

FUTURE LAND USE MAP CATEGORIES: Office-Residential (O-R) and Business (B)

ZONING DISTRICT: Commercial Corridor District (CC)

REQUEST: The City of Doral is requesting an amendment to the City's Comprehensive Plan Future Land Use Map (FLUM) from Office-Residential (O-R) and Business (B) to solely Business (B).

Location Map



Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes, if a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, any person who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

Connie Diaz, MMC
City Clerk
City of Doral