

Legal Update

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Rhode Island Passes Secure Choice Retirement Savings Program

On June 26, 2024, [Senate Bill 2045](#) was signed into law, establishing a state-operated retirement savings program called Rhode Island Secure Choice. Employers who do not already offer a retirement savings plan will be required to offer workers access to the Secure Choice program, which will be administered by the Office of the General Treasurer and implemented in phases.

Employer Participation

For purposes of the program, an “eligible employer” is generally defined as one that has **five or more employees**. Employers with less than five employees have the option of participating in the program.

Employers retain the option, at all times, to set up and offer a tax-qualified retirement plan rather than facilitating employee participation in Secure Choice.

Program Features

The general treasurer will be charged with administering contributions through payroll deductions and investing these funds in accordance with best practices for retirement savings vehicles. The general treasurer will also be responsible for encouraging employee participation as well as ensuring ease of administration for participating employers and portability of retirement benefits for participating employees.

Employees will be enrolled in the program unless they elect not to participate, and they can elect to opt out at any time. Following the initial implementation of the program, at least once every year, the general treasurer will designate an open enrollment period during which eligible employees who previously opted out of the program may enroll.

Employer Liability

Employers will have no liability or fiduciary duty to employees in relation to the program. However, employers will be subject to penalties of **\$250** per eligible employee if they fail to allow their eligible employees to participate.

Phased Implementation

There will be a phased implementation period, as follows:

- Employers with **100 or more employees** will have to participate **within 12 months** of the program opening;
- Employers with **50 or more employees** will have to participate **within 24 months** of the program opening; and
- All other eligible employers will have to participate **within 36 months** of the program opening.

Rhode Island employers with at least five employees that do not already offer a retirement plan will be required to sign up for Secure Choice.

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