

Washington Small Business Retirement Marketplace: What Small Businesses Need to Know

The Washington Small Business Retirement Marketplace, launching on January 1, 2017, will help bring retirement parity to small businesses that struggle to offer retirement benefits to their employees. In addition to helping small businesses better compete for and retain talented workers, this program will also benefit the nearly 1.5 million Washington workers who do not have access to a retirement plan through their employer. Below is an overview of what small businesses need to know about the program so they can take advantage of it.

What is the Washington Small Business Retirement Marketplace?

- The Washington Small Business Retirement Marketplace will create an online marketplace through which employees of small businesses, defined as businesses with fewer than 100 employees, can purchase a retirement plan.
- Employees will pick from a range of private sector retirement plans offered in the marketplace, which will include regular IRAs, simple IRAs or MyRAs—a retirement savings account developed by the U.S. Department of the Treasury for people without access to a retirement savings plan at work.
- Plans offered in the marketplace must meet certain standards such as charging low fees and offering target date funds and balanced funds. Participation in a plan is voluntary, and plans are portable so employees can keep them if they change jobs.

How will the Small Business Retirement Marketplace impact employers?

- Employers will not contribute to funds, manage funds or have any responsibility for financial advice. Employers have the option of matching up to 3% of contributions.
- Only 35% of Washington's 137,000 small businesses are able to offer retirement plans to full-time employees. The Washington Small Business Retirement Marketplace will help these employers offer a valuable benefit and ensure their employees have the option to save.
- There will be no cost for businesses to enroll, and the plans offered through the marketplace will be specifically selected to have minimal paperwork for employers.

What do small businesses think about state-administered retirement programs?

- Small business owners support this new retirement option. Small Business Majority's scientific polling found the majority of Washington small business owners supported legislation establishing the Washington Small Business Retirement Marketplace.
- Many small businesses would like to offer retirement plans to their employees—to help attract a talented workforce and reduce turnover—but can't afford the overhead and administrative costs. The Washington Small Business Retirement Marketplace will provide a way for small businesses to offer their employees access to retirement benefits without incurring the associated burdens of employer-sponsored retirement programs.

What businesses qualify for the program?

- Employees who work for businesses with fewer than 100 employees may choose a plan through the marketplace.
- Sole proprietors and self-employed individuals may also take advantage of the marketplace.

Where can I find more information?

- Contact Carolyn McKinnon, Marketplace Director & Policy Advisor at carolyn.mckinnon@commerce.wa.gov or visit <http://www.commerce.wa.gov>.