



State Mandated Retirement Programs – Action Plan for Your Clients

From California to New York, many states are enacting retirement savings mandates. This means that employers are required to offer a workplace retirement savings plan, by law. Businesses that don't comply can incur state penalties.

Unless they have an exemption, businesses have two choices. They can sign up for their state's retirement savings program, typically an auto-Roth IRA. Or, they can establish a 401(k) plan from a qualified provider. A 401(k) plan has many business advantages over a state-facilitated IRA:

- **Higher contribution limits.** Participants (including employers) can contribute \$23,500 in 2025 for a 401(k) plan, versus only \$7,000 for a state IRA.
- **Easier administration.** Most state programs require employers to do their own plan administration. A professional 401(k) plan provider takes this burden off their hands.
- **Startup tax credits.** 401(k) clients can take advantage of up to \$16,500 in SECURE Act tax credits. These are not available with state IRAs.

One thing your clients may not have considered? If they have employees working out-of-state, they will need to follow the retirement laws of that state. Having to keep track of multiple state programs can get complicated. A 401(k) plan is a simpler option because it satisfies the requirements of any state.

Advisors can be proactive by starting a conversation now with their clients about state retirement mandates. To see what's happening where your clients are, check out our [state mandate retirement map](#).

Special Offer for Your Clients – Only When Referred by You

Refer your clients to get 6 months free 401(k) when they start or move their plan to Paychex with Paychex or Paycor payroll. [Refer now and save.](#)

Resource Corner

Compliance Calendar:

October 15, 2025:

Form 5500 / 5500-SF Filing Deadline

- Deadline (with extension) to file Form 5500/5500-SF, as applicable, for the prior calendar plan year with the U.S. Department of Labor.

Form 8955-SSA Filing Deadline

- Deadline (with extension) for filing Form 8955-SSA for the prior calendar plan year in either paper or electronic form with the IRS.

Form 5330 Return of Excise Taxes Filing Deadline (With Extension)

- (if applicable, consult with your CPA) (with extension)

Extended Tax Filing/Deductible Contribution Deadline - Sole Proprietorships and C-Corps

- Deadline (with extension) for tax return filing and contribution deductibility for sole proprietorships and C-corps operating on a calendar-year.

November 1, 2025:

SIMPLE IRA Plan Notice Deadline

- Deadline to distribute annual SIMPLE IRA notice to participants. To distribute notices to terminate a SIMPLE IRA Plan effective January 1 of the next year.

For more details, download the [2025 Retirement Compliance calendar](#)

Knowledge Center:

Financial Advisor Resource Center:

- [Click here](#) for our one-stop for tools and knowledge for you and your clients.

Financial Advisor Webinar Series:

- [Watch Now:](#) CA Retirement Mandate: Action Plan for Advisors