



# STATE SPONSORED RETIREMENT PLANS VS. EMPLOYER SPONSORED PLAN

## Colorado Secure Savings Program

Many states are now requiring that small businesses offer retirement plans, including Colorado. Effective 2023, with fines beginning in 2024, the Colorado Secure Savings Plan is required for all Colorado-based companies that have been in business for a minimum of 2 years, have 5 or more employees, and who don't have an existing, qualified program in place. If a plan is NOT put in place after a year of eligibility, companies will be fined \$100 per eligible employee per year (with a maximum fine of \$5,000 annually).

Employers can choose to offer a retirement plan without government intervention. By choosing to sponsor their own plan, employers can help participants achieve more success reaching their retirement goals. Since 1996, QPS has worked with businesses to understand and achieve their retirement goals.



## HOW DOES THE COLORADO PLAN COMPARE TO QPS? CHECK OUT THE COMPARISON CHART BELOW:

	Colorado Secure Savings	Employer Sponsored Plan
Who Participates?	Everyone	Custom to your plan
Employee Eligibility	Age 18+ and employed for 6 months	Custom up to age 21+ and 1 year of service
Annual Contribution Maximum	\$6,000	\$22,500 + \$6,500 Catch up
Income Limits	ROTH income limits apply	Income Limits
Deferral Contributions	ROTH Only	Traditional Pre-Tax and ROTH
Automatic Enrollment	Enrollment Required	Optional**
Employer Contributions	None	Custom- Including Safe Harbor and Profit Sharing
Loans	None	Custom
Assigned Plan Administrator	None	Dedicated Administrator
3(16) Fiduciary	None	Optional Service
360° Payroll Integration	None	Optional Service

\*\*With SECURE 2.0 any plan established on or after 12/29/22, is subject to automatic enrollment, unless they employ 10 or fewer employees or are a new business that has been in existence for less than three years\*\*

These amounts also apply to 403(b), most 457 and Thrift Savings Plans. The IRS typically announces official limits for the coming year in late October or early November. You can check the IRS 401(k) contribution limits on the IRS website for all updates.

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