

Employers required to offer retirement plans?

By former Associate Ethan Don

Maryland businesses take note – the Maryland Senate and House are each considering bills which, if passed, would require businesses employing 5 or more employees to offer a qualified retirement plan (read: 401(k) or IRA) or join a state-created pool retirement fund. If the law takes effect, Maryland will be the first state in the nation to impose mandated retirement savings.

The law would phases in over 9-month period, requiring the largest employers (>100 employees) to comply within 90 days, employers with between 50 and 99 employees to comply within 180 days, and all other employers with 5 or more employees to comply within 9 months. The bills also provide that any business failing to meet the mandates shall pay a penalty of \$250 per eligible employee.

It's not clear yet whether the bills will pass and if so whether they will retain their current forms. But, if they do pass the General Assembly, Gov. Martin O'Malley has expressed his support for the bills.