



# Coming Soon:

## Virginia's State-Facilitated Retirement Savings Program

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# Too many are under saving for the future



**About 25% of Americans report no retirement savings<sup>1</sup>**



**Only 36% think their retirement savings is on track<sup>1</sup>**



**Americans are 15x more likely to save for retirement when they can do so at work<sup>2</sup>**

1. Federal Reserve, Economic Well-Being of U.S. Households in 2020 (May 2021)

2. AARP, Saving for Retirement at Work (October 2021)

# Why does Virginia need a solution?

**Almost 50%**  
**of Virginians**

lack access to a retirement  
savings option at work

	Workers covered by a plan		Workers not covered by a plan		
	% of state	Number	% of state	Number	% uncovered
Northern Virginia / Washington, DC	45%	601,369	37%	700,785	54%
Richmond	12%	161,181	21%	407,018	72%
Virginia Beach-Norfolk-Newport News	18%	234,421	16%	315,064	57%
Charlottesville	4%	47,408	4%	79,515	63%
Roanoke	3%	37,099	3%	61,781	62%
Winchester	3%	45,535	3%	51,284	53%
Blacksburg-Christiansburg-Radford	2%	25,149	2%	38,801	61%
Not in metro area	13%	179,468	14%	262,687	
Total	100%	1,331,631	100%	1,916,935	

Source: The Pew Charitable Trusts (2022)



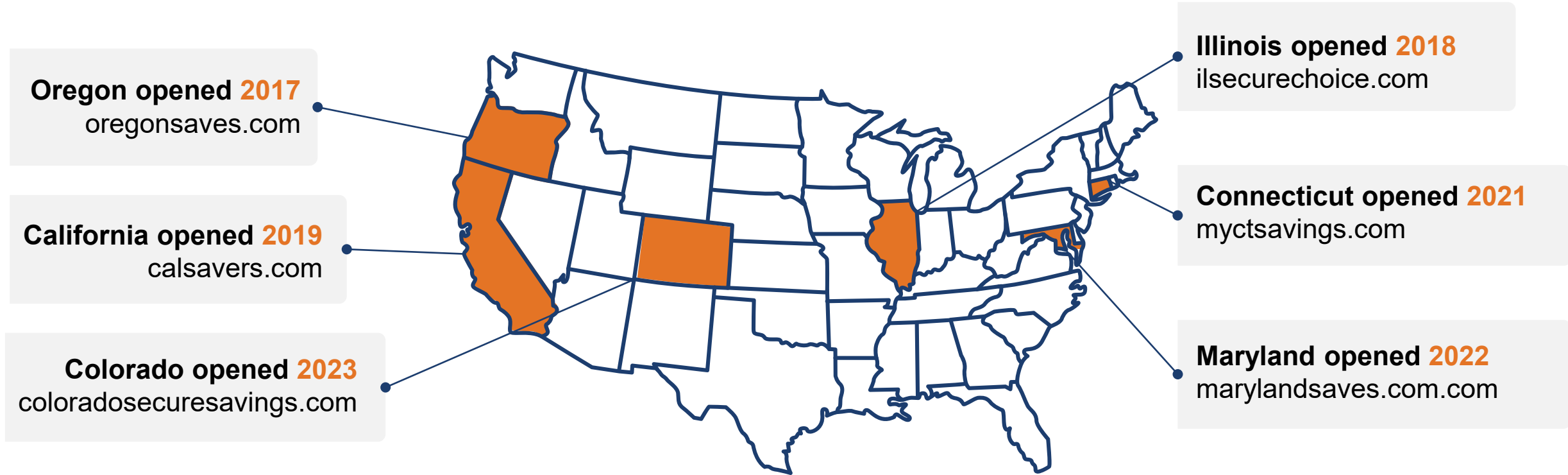
# Cost of doing nothing

If the state does nothing, Virginia could **expect a \$12 billion shortfall by the year 2035**, caused by insufficient savings and increased reliance on public benefits.

To close the gap, the average Virginia household needs to **save about \$160 a month**.

Source: Virginia529, Report on State-Facilitated Retirement Programs (December 2020)

# First programs prove the possibilities



**\$745+**  
million saved

**650,000+**  
funded accounts

**148,000+**  
employers

Virginia is the 7<sup>th</sup>  
state auto-IRA program

Source: Georgetown University Center for Retirement Initiatives (March 2023)



# Program development

In 2021, the Virginia General Assembly passed legislation directing **Virginia529** to establish a state-facilitated private retirement savings program to open in 2023.

**retirepath** VA

Photo Credit: Virginia Tourism Corporation



# About RetirePath Virginia

Designed to **help employees reach their financial goals** with automatic payroll contributions to a Roth individual retirement account (IRA).

The employer role is to **facilitate the program** and maintain accurate employee records.





# Who is RetirePath for?

## Eligible Employers

Participation required

- 25 or more eligible employees,
- Operating for 2 or more years, and
- Does not already offer a qualified, employer-sponsored retirement plan.

## Eligible Employees

Automatically enrolled with option to opt out or adjust selections

- At least 18 years old,
- Receiving Virginia income, and
- Employed at least 30 hours for any portion of a week in the preceding 12 months.



Individuals who are self-employed or don't work for an employer registered with RetirePath can enroll at **[RetirePathVA.com/Savers](https://RetirePathVA.com/Savers)**





# What employers need to know



**No employer fees**



**Easy to administer**



**Works with payroll process**



## Facilitate the program

**01**

### Register

Go to [RetirePathVA.com](https://RetirePathVA.com)

**02**

### Set Up

Upload payroll and employee information

**03**

### Update

Keep information current and submit employee contributions on your payroll schedule

# What employees need to know



## Save through automatic payroll contributions

In 2023, save up to \$6,500 per year in an IRA (\$7,500 if age 50 or older).

Once your employer registers, you have 30 days to make changes. You can:

01

**Do nothing.** Contributions to your Roth IRA begin at 5% of your total pay.

02

**Customize your account.** Choose your contribution rate, investment options, and beneficiaries.

03

**Opt out.** Not ready to save? Participation is voluntary. Opt out or back in at any time.



Learn more and  
subscribe to updates  
**RetirePathVA.com**

Invite RetirePath to present to a group:  
**RetirepathVA.com/Resources/Webinars**



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