



# Electronic Alert

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## **OregonSaves' New Enforcement Mechanisms & Compliance Options**

By Josh Goldberg

When filing an annual tax withholding, employers may notice a new box to check starting next year. As part of a new series of reforms to increase participation in the new state-run ROTH IRA retirement plan (OregonSaves), employers will soon be required to report whether they offer qualified retirement plans and, therefore, whether they must participate in OregonSaves. Failure to submit a complete annual tax withholding report risks a \$250 penalty.

Under OregonSaves, an employer must either offer a qualified retirement savings plan and file a certificate of exemption, or enroll employees in a retirement savings account managed by the State Treasurer and funded by employee contributions. If enrolled in OregonSaves, employees may, at any time, adjust their contribution levels or opt out entirely.

If an employer neither offers a qualified retirement plan nor participates in OregonSaves, employees will also soon be able to file a complaint with the Oregon Bureau of Labor and Industries (BOLI) on a rolling basis, starting January 1, 2020. If the complaint is substantiated, BOLI may levy a civil penalty of \$100 per employee who is eligible to participate in a plan, and up to \$5,000 total per calendar year.

One increasingly accessible option for employers looking to adopt their own qualified retirement plan and receive an exemption from OregonSaves is a Multiple Employer Plan ("MEP"). Under a MEP, a sponsoring association of employers may pool resources and create a single, cost-effective contribution plan. A new regulatory package easing the path forward for MEPs goes into effect today. Under these new rules, the Department of Labor expands the number of groups that may sponsor a MEP and removes uncertainty that previously made MEPs risky option for some employers. In light of the incentives for employers to adopt their own qualified retirement plans before OregonSaves' new enforcement schemes come into effect, now is as good a time as any to determine whether a MEP may be the right solution for your business.

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