



WorkLife Savings Accounts. Put Your Money to Work.

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MarylandSaves Launches Innovative Paycheck Savings Program. Businesses signing up by December 1st will save \$300 on April 15th.

HUNT VALLEY, MD, September 15, 2022 – Starting today, thousands of small business owners and more than a million Marylanders they employ have a new way to save for emergencies and retirement. MarylandSaves will offer workers throughout the state the opportunity to start a personal WorkLife Savings Account automatically funded from their paychecks. The service is free for businesses and the State waives an annual \$300 filing fee for those businesses that enable automatic employee enrollment. Employees can opt out at any time.

“MarylandSaves is an advance on traditional retirement savings,” said MarylandSaves Board Chair Joshua Gotbaum. *“It’s automatic savings from each paycheck, savings that help with life’s emergencies now and can keep helping after people retire and need it most.”*

Employer Sign-up is “Free, Quick, and Easy”

“We’ve worked hard to make MarylandSaves hassle-free for businesses,” said MarylandSaves Executive Director Glenn Simmons. *“Registration is free, quick, and easy – and businesses that sign up this year will save \$300 next April 15th. They can register and sign up their employees online, and in many cases, use their payroll processors.”* Employers that enroll with MarylandSaves by December 1st of this year won’t have to pay the State of Maryland’s \$300 annual report filing fee for 2023. Businesses that already offer a qualified retirement savings plan to their employees will also qualify for the fee waiver.

Workers can get Emergency Savings and Better Retirement Options Automatically

WorkLife Savings Accounts are Roth IRAs funded by employees through payroll deductions and are under each saver’s control. Savers will have multiple investment options to choose from and can decide at any time to change their savings rate, change their investment options, or opt out entirely. They can also withdraw their money or take their account with them when they change jobs. However, savers don’t have to do anything: if they don’t opt out, 5% of their paycheck will automatically be saved. The first \$1,000 will be contributed to an emergency savings fund, and contributions beyond that will be invested in a target date fund based on the age of the saver.

Better Options in Retirement. Most retirement savings programs leave savers on their own to figure out how much they can afford to spend in retirement. MarylandSaves will be different in two ways:

- **Help make the most of Social Security** As participants near retirement age, the program is developing a feature to offer savers the option to withdraw money from their MarylandSaves
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account to help them postpone filing for Social Security benefits (If a person defers and doesn't file for Social Security at age 62, it increases their payment by approximately 8% for each year until age 70).¹ Using their WorkLife Savings Accounts to create a "Social Security bridge" could mean getting more Social Security payments when they do file.

- **Conversion to a monthly check at retirement.** MarylandSaves is developing the ability in the future to enable participants to automatically convert their WorkLife Savings Accounts to a monthly paycheck when they are ready to retire, in an amount estimated but not guaranteed, to last a saver's lifetime.

"Getting a monthly check will take much of the guesswork out of retirement," said Gotbaum.

The "Social Security bridge" and "managed payout" options are not expected to be available for several years and the Board may adjust those options. MarylandSaves will notify employers and participants as these options are available.

The program is being administered by a team of established financial services firms including Vestwell and BNY Mellon. All investment options are professionally managed by BlackRock, Lincoln Financial Group, State Street Global Advisors, and T. Rowe Price.

MarylandSaves endorsed by both businesses and their employees.

Since July, a group of Maryland small business owners and non-profit leaders from various industries and regions have been testing the MarylandSaves program. Their reviews have been enthusiastic.

"Atwater's been on a 23-year mission to provide every employee a good job with great benefits. A retirement plan has always been a part of that vision. With MarylandSaves, we've achieved that while staying close to our handcrafted, local roots," said Justin Brady, human resources manager at Maryland's Atwater's markets.

Josseline Rodriguez has worked at the Caliente Grille in Annapolis for 6 years and appreciates the emergency savings fund she is building in her WorkLife Savings Account. *"It really feels amazing that I know that I'm saving money for my future and for my family,"* she said, *"because you never know what can happen, and you might need that money, and you have it whenever you need it."*

Want to Know More?

If you lead a professional association, a non-profit, or a small business, or are interested in opening an IRA through MarylandSaves, go to MarylandSaves.com to learn more.

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¹ See [Benefits Planner: Retirement | Delayed Retirement Credits | SSA](#)



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About MarylandSaves

Bipartisan legislation created the Maryland Small Business Retirement Savings Board and charged it with developing an automatic payroll savings IRA program for Maryland businesses that don't offer a retirement plan to their employees. The Board developed the program and under Maryland law its members are legal fiduciaries responsible to program participants. Information about the Board and MarylandSaves' Executive Director and staff can be found at MarylandSaves.org.

WorkLife Savings Accounts are individual accounts controlled by each saver, not the employer. They are Roth IRAs and are subject to applicable laws. Participation by employers is free; MarylandSaves charges them no fees. For more information about our program visit MarylandSaves.com.

The program is managed by MarylandSaves' Executive Director and staff and operated through established third-party financial institutions and managers, including Vestwell, BNY Mellon, BlackRock, Lincoln Financial, State Street Global Advisors and T. Rowe Price. In developing its program, MarylandSaves has been advised by Aon, AKF Consulting, and K+L Gates.

The program is designed to be paid for by fees on invested accounts, not taxpayer funds. The State of Maryland has loaned funds to MarylandSaves to cover startup costs.