

## Client Alert

### **New York To Create Roth-Style IRA Program for Private Sector Employees**

April 11, 2018 – New York will soon join the growing ranks of other states who have established state-sponsored retirement programs for private sector employees whose employers do not sponsor retirement programs. The program, called the New York State Secure Choice Savings Program, was included in New York’s 2018 budget, which is expected to be signed by Governor Cuomo.

Under the program, employers may permit employees who are 18 and older to contribute after-tax portions of their wages to Roth-style individual retirement accounts. Contributions would be made by way of payroll deductions. Any growth in the value of the contributions, as well as any withdrawals in retirement, would generally be tax-free.

The program is set to go into effect within two to three years, and will have open enrollment opportunities once a year. Each year employees can determine a specific percentage or dollar amount to contribute, up to a maximum annual contribution set by the Internal Revenue Service (currently \$5,500). The program will be administered by a seven-member board, which will determine the program’s investment options and associated fees.

New York will become the tenth state to offer such state-provided benefits, joining California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, Oregon, Vermont and Washington.

If you have any questions regarding the New York State Secure Choice Savings Program please contact one of our following Compensation, Benefits & Employment attorneys:

Brian B. Snarr  
(212) 735-8831  
[bsnarr@morrisoncohen.com](mailto:bsnarr@morrisoncohen.com)

Alan M. Levine  
(212) 735-8694  
[alevine@morrisoncohen.com](mailto:alevine@morrisoncohen.com)

Benjamin A. Vitcov  
(212) 735-8713  
[bvitcov@morrisoncohen.com](mailto:bvitcov@morrisoncohen.com)

Michael Oppenheimer  
(212) 735-8719  
[moppenheimer@morrisoncohen.com](mailto:moppenheimer@morrisoncohen.com)