

2025-2026 Legislative Agenda



H.39 | *An Act relative to the SMART Plan*

Lead Sponsors: State Treasurer Deb Goldberg (D-Brookline)

The Massachusetts SMART Plan is a highly rated, low-fee, deferred compensation retirement savings plan authorized under section 457 of the Internal Revenue Code, which allows eligible public employees (including state and municipal employees) to save and invest for retirement. The SMART Plan's low fees make it an attractive alternative when compared to many 403(b) retirement plans, which can cost an employee over \$100,000 in additional fees by the time they reach retirement.

This bill would:

- Allow the state treasurer to automatically enroll new state employees in the SMART Plan.
- Provide an option for governmental bodies, such as municipalities, to auto-enroll new employees in the SMART Plan or their own 457 plan.
- Require that all new public employees who are auto-enrolled in a 457 plan be notified in accordance with IRS rules.
- Allow new employees who are auto-enrolled to have the opportunity to opt out without penalty and obtain a full refund of their contributions.
- Enroll employees who do not select an investment preference in a qualified default investment.

Saving for retirement, especially at the beginning of employment, allows participants to maximize the benefits of compounded interest, which is a critical component in achieving a secure retirement.

Please contact MTA Government Relations if you have any questions or require any additional information.
governmentrelations@massteacher.org | 617.878.8119