



Why Retirement Plans Matter More Than Ever

During the peak years of the COVID-19 pandemic, retirement plan growth went flat as businesses struggled to keep their doors open. That trend is now slowly reversing in the post-COVID economy. According to the [Road to Retirement: A Paychex Special Report](#)¹, retirement plan adoption by small businesses are showing a steady increase nationally. Employee participation has had the strongest gain in more than two years, suggesting that this benefit is increasingly important to workers.

Despite all these positive signs, there is still a retirement savings crisis. Less than half of U.S. employers offer a retirement plan, and only about 40% of employees participate.

Read our article, [America's Savings Crisis Highlights the Importance of Workplace Retirement Plans](#) to learn about how to overcome barriers that may be keeping your clients from investing in a plan.

Legislative Changes

New Bill May Expand Tax Credits for Microbusinesses

A bill is now in Congress that proposes to increase retirement tax credits for businesses with fewer than 10 employees. The Retirement Investment in Small Employers (RISE) Act, or H.R. 6007, aims to assist microbusinesses with 1-9 employees. If the bill becomes law, it would increase the tax credit up to \$2,500, up from \$500, each year for three years once the plan is established, plus an additional \$500 per year if auto-enrollment is implemented. In total, micro-businesses could gain up to \$9,000 in tax credits.

Learn more about the [RISE Act](#)

Resource Corner

Compliance Deadlines:

Deadline June 30: Return of Excess (ROE) Distributions for Failed ADP/ACP Tests - EACA Plans

Deadline for Plan Sponsors to avoid the 10% excise tax for plans that satisfy the eligible automatic contribution arrangement (EACA) requirements.

Knowledge Center

Upcoming Webinar: [Retirement 2024: Small-Plan Trends for Financial Advisors](#), featuring insights from the *Road to Retirement: A Paychex Special Report*. [Register Now](#)

Watch on Demand: [The Power of the Small Plan](#)

Share with your clients: [State Retirement Plans: What Every Business Needs to Know](#).

LAST CALL TO SAVE!

Now through May 31, 2024, referred new or conversion clients receive up to \$1,500 off fees! [Learn More](#)