



Get Ahead of 2026 Retirement Mandates– and Save on Taxes

January 28, 2026

DISCLAIMER: This communication is provided for informational purposes only. It is not for the purpose of establishing an attorney-client relationship or providing legal or tax advice, and should not be relied upon as legal or tax advice. This communication is not an all-inclusive list of all state and local laws.



Questions?

Please drop them in the Q&A section

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Today's Panel



Mallory Martin

ProService Hawaii
Corporate Counsel /
Director of Legal
Operations



Daniel M. Taylor, ALMI

Transamerica
Pooled Plan Sales Consultant

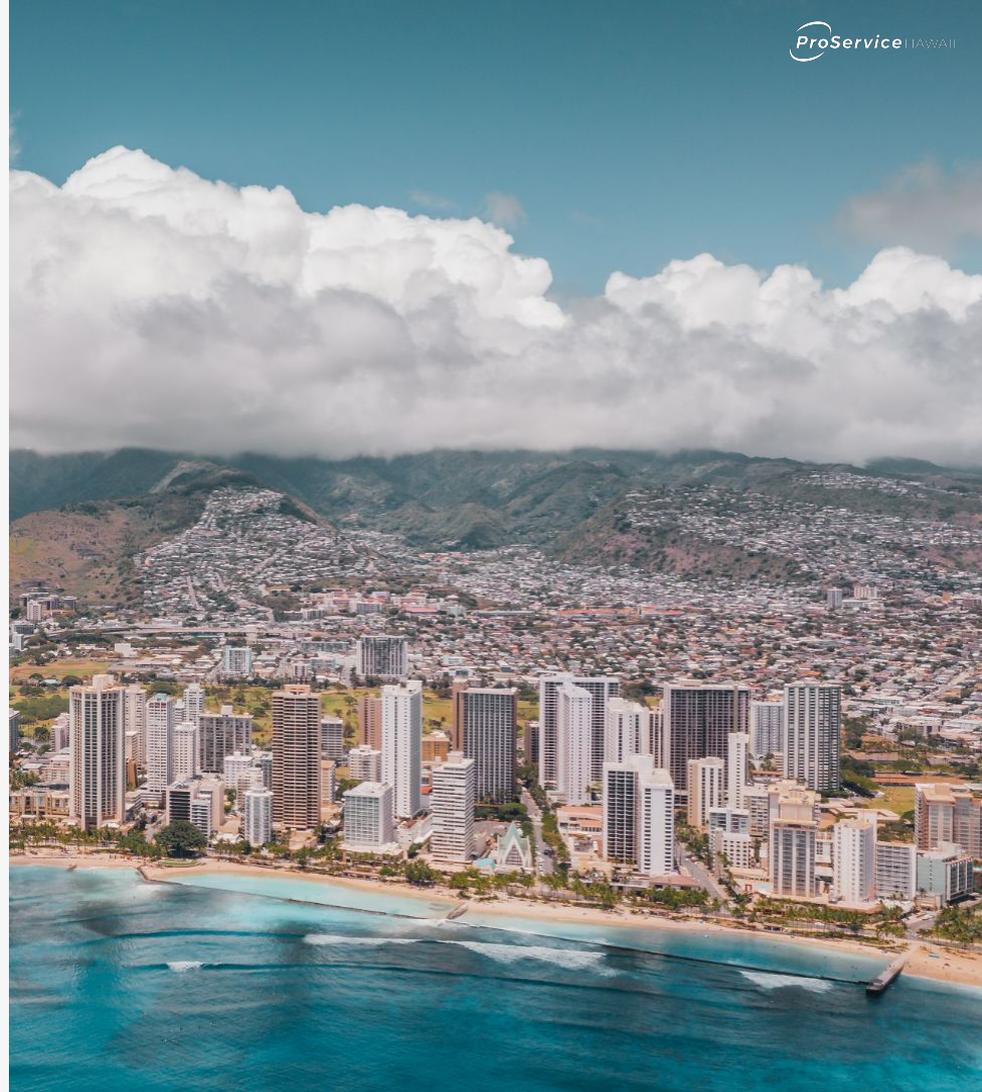


Elena Martinez

ProService Hawaii
Compliance &
Regulatory Manager

Agenda

01	Understanding the State Retirement Mandate
02	Why Employers Choose a 401(k) Plan
03	Federal Tax Credits That Can Offset Plan Costs
04	How ProService Helps: A Retirement Solution
05	Next steps: How to implement a ProService Retirement Plan





Hawaii Retirement Savings Program

- Law passed in 2022, and set to launch in mid/late 2026
- By this year, employers must enroll and facilitate the state retirement plan or provide retirement plan for their employees.
- The Hawaii Retirement Savings Program is a state-facilitated payroll deduction Roth IRA for private sector employees whose employers do not offer a qualified requirement plan.



When & Who

Mid 2026

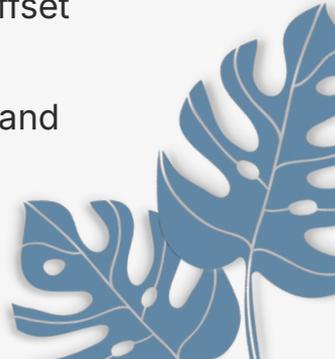
Employers with more than 1 employee who does not offer a retirement plan

What does HRSP look like

- Individual Roth IRA accounts are established for each employee and funded with after tax contributions
 - Employees are automatically enrolled unless they opt out
 - Default rate is set at 5% compensation
 - Employees may increase, decrease or stop contributions at any time
 - Employers are not required to make matching or other contributions
- 

Why Hawaii employers should offer an employer sponsored 401(k)?

- Attract & retain local talent in a tight labor market
- Help employees manage Hawaii's high cost of living in retirement
- Exceed state retirement mandate and avoid penalties
- Leverage federal tax credits to offset startup and contribution costs
- Strengthen loyalty, engagement and long term workforce stability



Evaluate: HRSP –or– Your Own Retirement Plan

	HRSP	Employer Sponsored Retirement Plan
Contribution limits	State run Roth IRA	Higher contribution limits
Employer contributions allowed?	No, only employee contributions allowed	Yes. Employers can offer optional employer matching or profit sharing
Investment options	Per state plan design	Greater access to a variety of investment options
Support for financial wellness	Limited education & guidance	Often includes education, tools and advisor support
Impact on recruitment & retention	Minimal (baseline access only); Limited (not a differentiator)	Supports loyalty and long-term employment; Helps attract and compete for talent

How tax credits can work for you

SECURE 2.0 Act Overview



- Tax credits under SECURE 2.0 Act allow employers to offer a richer plan for little to no cost
- Employers can take advantage of tax credits to meet the state mandate
- Employers can receive an additional tax credit with auto-enrollment



How tax credits can work for you

SECURE 2.0 Act Overview



Start Up Tax Credit

- Businesses can receive up to \$5,000 per year, for the first three years.
- Actual credit is determined by size of the company but is at least \$500

Employer Contribution Tax Credits

- Available for employers who put money into employees' accounts.
- For the first five years, you can receive a tax credit of up to \$1,000 per employee per year.
- The credit starts phases down over time.
- Contributions must be for employees earning \$100,000 or less.

Auto Enrollment Credit

- Employers with 100 employees or less can claim an additional credit of \$500 per year with auto enrollment for the first three plan years.



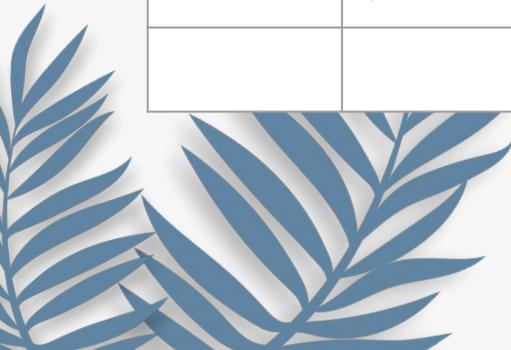
How does the tax credit work?



Year	Start-up Credit	Auto-enroll Credit	Employer Contribution Credit	Total Annual Credit
Year 1	\$1500	\$500	100% \$16,000	\$18,000
Year 2	\$1500	\$500	100% \$16,000	\$18,000
Year 3	\$1500	\$500	75% \$12,000	\$14,000
Year 4	\$0	\$0	50% \$8,000	\$8,000
Year 5	\$0	\$0	25% \$4,000	\$4,000
			5-Year Total Credit	\$62,000

Island Tech Services, LLC is a locally owned IT support company.

- 20 employees are eligible to participate in the company's new 401(k) plan.
- To encourage participation and support employee retirement savings, Island Tech Services chooses to make an average employer contribution of \$800 per eligible employee per year.



How ProService Makes it Easier



Employer sponsored plan

Employer will:

- Design and maintain the plan document
- Coordinate multiple vendors and advisors
- Manage ongoing administration
- Serve as the plan fiduciary
- Be responsible for compliance, testing, filings and corrections
- Bear legal and financial risk

ProService 401(k) Multiple Employer Plan

ProService will:

- Provide and maintain the plan document
- Set up payroll integration
- Manage contribution processing
- Assume full fiduciary responsibility
- Manage compliance, testing, and file the Form 5500 for you

Employer Benefits:

- Single, streamlined solution
- Reduced risk, lower administrative burden, and predictable costs



Partnering for Success



Dan Taylor
Transamerica
Pooled Plan Sales Consultant



How ProService Can Help

With ProService 401(k) plan:

- ✓ We guide employers through every stage of implementation, from evaluating retirement plan options to selecting and launching the right retirement plan for your workforce.
- ✓ We reduce administrative burden by managing payroll integrations, contribution processing, loan and distribution administration and ongoing plan operations.
- ✓ We assume fiduciary responsibility and manage key IRS and ERISA requirements, including nondiscrimination testing and Form 5500 filings.
- ✓ We help deliver cost efficiencies through pooled buying power, transparent pricing and no separate audit or compliance testing fees.
- ✓ We support employee communication and engagement by providing clear education, enrollment guidance and ongoing communications.

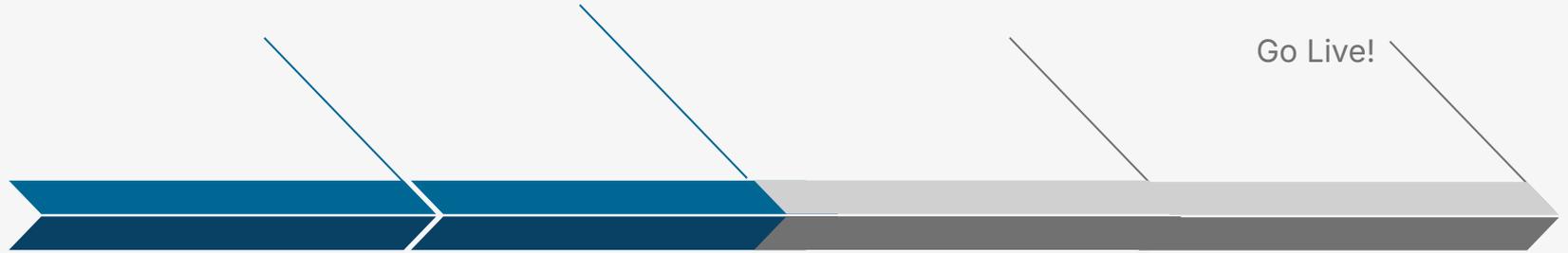


**Contact our
Retirement Team**

808-394-8878



Next Steps: How to Implement a ProService Retirement Plan



Initial Planning & Provider Selection

ProService team member will consult to determine plan features, contributions, vesting schedules, and investment opportunities

Plan adoption & documentation

Formalize the plan by signing a written agreement

Implementation Operations

Assigned dedicated Transamerica Onboarding specialist. ProService & Employer will work together to complete census data

Employee Enrollment and Communication

Provide employees with information the plan



Q&A



Mahalo!



We are here to help!
808-394-8878

