



April 16, 2026

Honorable Marvin L. Abney  
Chairman, House Committee on Finance  
Rhode Island State House  
Providence, RI 02903

RE: H8189 – SUPPORT

Dear Chairman Abney:

On behalf of the Rhode Island Business Leaders Alliance (the “Alliance”), I write in support of H8189 – An Act Relating to Taxation -- Employer Tax Credits for Retirement Plan Establishment, Participation and Auto-Enrollment. As introduced, H8189 would create targeted, nonrefundable tax credits for eligible employers that establish and maintain qualified retirement plans, increase employee participation, and implement automatic enrollment features consistent with federal law.

H8189 addresses a real and persistent challenge for Rhode Island employers, particularly small businesses. Many Rhode Island workers lack access to employer-sponsored retirement plans and small employers face disproportionate financial and administrative barriers in establishing and maintaining those plans. The legislation further reflects the sensible policy judgment that aligning state tax incentives with federal retirement policy can expand coverage, increase savings rates, and strengthen the long-term financial security of Rhode Island workers.

From the business community’s perspective, this bill takes a practical and measured approach. It limits eligibility to employers with one hundred (100) or fewer employees who received at least \$5,000 in compensation during the preceding taxable year and who did not maintain a substantially similar qualified retirement plan during the prior three taxable years, except as otherwise permitted by federal law. In that respect, H8189 is carefully tailored to encourage new plan adoption among smaller employers who are most likely to need assistance overcoming startup and compliance costs.

The structure of the credit is also thoughtful. H8189 would allow a credit of up to \$100 per participating eligible employee per taxable year, subject to an aggregate annual cap of \$10,000 per employer. It would also provide an additional auto-enrollment enhancement credit of up to \$100 per eligible employee, capped at \$1,000 annually, for up to three consecutive taxable years

beginning with the first year the auto-enrollment feature is implemented. These provisions create a direct incentive not only to establish plans, but to encourage meaningful employee participation and use of plan features that can improve retirement savings outcomes over time.

For Rhode Island employers, access to a stable workforce is closely tied to the ability to offer competitive benefits. Retirement benefits are increasingly important to employee recruitment and retention, but the cost and complexity of offering such plans can be prohibitive for smaller businesses. H8189 recognizes that reality and offers a focused incentive to help employers take that step. In doing so, it supports both economic competitiveness and long-term financial security for Rhode Island workers and their families.

H8189 represents a constructive, business-friendly effort to expand access to retirement savings opportunities without imposing a mandate on employers. It encourages voluntary adoption through targeted tax incentives, promotes broader employee participation, and aligns Rhode Island policy with established federal retirement reforms. For those reasons, the Alliance respectfully urges the Committee's favorable consideration of H8189.

Sincerely,

*Gregory Tumolo*

Gregory Tumolo, Executive Director  
Rhode Island Business Leaders Alliance

CC:  
Members of the House Committee on Finance