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# Nevada Employee Savings Trust (NEST) Program Overview

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## Overview of the Nevada NEST Program

In 2023, Nevada enacted legislation (Nevada Revised Statutes 353D) establishing the Employee Savings Trust (NEST) Program, a government-backed retirement solution that became operational in June 2025. This initiative specifically serves private industry workers who currently have no employer-provided retirement savings options, working to bridge the coverage gap that leaves many employees without adequate retirement planning resources.

The program operates through automatic payroll deductions deposited into state-administered individual retirement accounts (IRAs), while minimizing administrative burden, costs, and liability for employers. The Nevada NEST Program is governed by a six-member Board of Trustees, with administrative support provided by the Nevada State Treasurer's Financial Literacy and Security Division.

## How NEST Works

### Employer Requirements

Employers must participate in NEST if they: (a) have six or more employees in Nevada; (b) have been in business for at least 36 months; and (c) do not offer a tax-qualified retirement plan (401(k), 403(b), SIMPLE IRA, or SEP plan). An employer that does not meet these requirements is exempt and must certify their exemption online through the NEST website by September 1, 2025.

### Employee Eligibility

Employees are eligible to participate in Nevada's NEST Program if they: (a) are at least 18 years old; (b) have been employed at the company for at least 120 days; and (c) receive wages or compensation in Nevada.

### Employee Enrollment Process

1. **Automatic Enrollment:** Eligible employees are automatically enrolled at a 5% default contribution rate.
2. **30-Day Opt-Out Window:** Employees have 30 days from notification to opt out or customize their account.
3. **Ongoing Flexibility:** After contributions begin, employees may adjust contribution rates or opt out at any time.

### Employer Responsibilities

- **Registration:** Employers must set up an account or certify an

exemption by September 1, 2025 through the NEST website.

- **Contribution Management:** Participating employers must enter relevant contribution information and begin payroll deductions after the 30-day opt-out period.
- **Ongoing Maintenance:** Participating employers must distribute program materials to employees, and submit payroll and contribution information regularly.
- **Data Privacy:** Participating employers are also required to protect the confidentiality of participant information.

#### What Employers Are NOT Responsible For:

- Administering employee investment programs and accounts
- Providing fiduciary oversight and judgment
- Handling investment account disbursements
- Managing the payment of program-associated fees and expenses

Rather, the above items are all handled by NEST and its administrator.

#### Implementation Timeline

**Employers face a deadline of September 1, 2025**, by which time employers must either register for the NEST program OR certify their exemption status. The state is currently sending direct notifications (including NEST Access Codes for program registration) via email or mail. Although Nevada has not yet announced specific penalties for non-compliance, we strongly recommend that employers meet this September 2025 deadline to ensure full regulatory compliance.

#### Compliance Costs

The NEST Program is intended to be cost-neutral for employers. The NEST Program imposes no direct financial costs on participating employers, as the state has structured the program to eliminate program fees and administrative charges. Nevada absorbs both the administrative burden of managing the program and all investment management costs.

However, while the NEST Program minimizes direct employer costs, businesses should expect indirect expenses including time for initial registration or exemption certification, payroll system updates and provider coordination, ongoing administrative duties for contribution reporting and remittances of contributions, and employee communication efforts using official program materials.

#### Legal Protection

Employers who participate in the NEST Program receive certain legal protections from civil liability including: (a) employee participation decisions; (b) investment decisions made by participants or the Board; and (c) financial consequences from program participation.

#### Conclusion

The NEST Program represents Nevada's effort to improve retirement security for private-sector workers through a state-facilitated savings

platform that shields participating employers from fiduciary liability associated with traditional employer-sponsored retirement plans, but also requires certain administrative functions to be performed by such employers. To ensure compliance with Nevada's NEST Program requirements, employers should take the following essential steps:

1. **Immediate Action Required:** Determine your compliance status and complete registration or exemption certification before September 1, 2025.
2. **Payroll System Preparation:** Coordinate with payroll providers to ensure systems can process NEST deductions.
3. **Employee Communication:** Prepare to use official NEST materials to educate employees about the program.
4. **Monitor Developments:** Stay informed about program evolution and any penalty announcements.

For more information on Nevada's NEST program, visit: <https://nest.nv.gov>

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