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Nevada NEST Program Compliance: September 1, 2025, Deadline Approaches for Private Employers

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Effective September 1, 2025, Nevada's private-sector employers must provide employees with a tax-favored Individual Retirement Account (IRA) in accordance with the Nevada Employee Savings Trust (NEST) Program. The NEST Program was established by 2023 Senate Bill 305, which was codified in Nevada Revised Statutes Chapter 353D. NEST facilitates automatic employee payroll contributions to state-administered Roth IRAs, providing a retirement savings solution for an estimated 500,000-plus private-sector Nevada workers who do not have an option to save for retirement directly through their employer. Here is how it works:

Covered Employers and Their Responsibilities

Employers that have been in business for at least 36 months, with six or more employees in the State of Nevada, and who do not maintain a tax-favored retirement plan for their employees, such as a 401(k), 403(b), Simplified Employee Pension (SEP), or Simple IRA, must self-enroll in NEST. Employers that enroll in NEST must automatically enroll all eligible employees into NEST or a similar program offered by a trade association or chamber of commerce. Employers that enroll in NEST must also deduct applicable employee contributions from their compensation, submit the contributions to NEST, and distribute designated NEST program materials to their workforce. To remain complaint with NEST, employers must continue to send payroll contributions and maintain employee records, including updating contribution rate changes when needed, adding new employees, and marking former employees as terminated.

NEST Coverage for Employees

Employees are covered by NEST if they have been employed for at least 120 days, receive wages or other compensation in Nevada, and are 18 years of age or older. NEST does not apply to employees who are covered by the federal Railway Labor Act, employees who make contributions to a Taft-Hartley multiemployer pension trust fund, or employees who are employed by the government. Employees may opt out of NEST at any time or make withdrawals from their IRA when necessary to address financial or other emergencies, subject to federal law. For eligible employees who remain enrolled, NEST operates through an automatic payroll deduction system with a default contribution rate of 5%. Employees can adjust their contribution rate and select from various investment options based on their risk tolerance.

Next Steps

All employers must either register with NEST or certify that they have an exemption no later than **September 1, 2025**. Employers who fail to meet the September 1, 2025, deadline may be subject to penalties, which have yet to be announced.

Employers should review additional information and guidance provided by NEST to ensure their compliance with the program.

You can read more about this topic on out Nest Program Overview article.
