



California Association for Micro Enterprise Opportunity
**Annual Member Meeting: Thriving In
Transition**

June 06, 2018



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What is CalSavers?

Simple way for employers to provide access to a workplace based retirement plan at no cost for them.

- **Automatic payroll deduction IRA** (Individual Retirement Account)
- **Completely Voluntary** for employees; savers may opt-out at any time
- **Simple option** automatic enrollment at work, automatic escalation of contributions, default investment options to make saving easy and automatic
- **Gig Workers**, self-employed, and other individuals welcome, too
- **Transparently Governed** by a public board chaired by State Treasurer
- **Zero cost to State, taxpayers**; Program is self-sustaining with participant fees





Problems We Solve: Employer

In CA, only 57% of workers have access to a workplace retirement plan (AARP), but not because employers don't want to offer one

- 2/3 of small business owners support a state retirement savings program
 - Help small business and their employees save for the future
- 3/4 of respondents think offering such a program would give their business a competitive edge
 - Help small businesses attract and retain talent

2016 Survey Conducted by Small Business Majority and AARP





Problems We Solve: Employer

3 commonly cited hurdles preventing small businesses from offering a retirement plan are:

- Cost
- Administrative burden
- Liability

CalSavers will:

- Be **Free** for employers to offer
- Be **Easy** to administer
- And have **no fiduciary liability** for employers





Problems We Solve: Employees

- Avg. US household age 55+ has \$0 retirement savings (GAO)
- Nearly ½ of Californians are projected to retire into economic hardship -- at or below 2x poverty level (UC Berkeley)
- 7.5 million California workers (about 57%) lack a workplace retirement plan (AARP)
 - 2/3 work for small businesses <100 employees
 - 2/3 are people of color
 - 58% are women
- Workers with a payroll deduction saving option are **15x** more likely to be on a path to retirement security.





Employer Mandate

Employers with five or more employees required to offer a retirement savings plan of their choice **OR** provide access to CalSavers

Deadlines for Employer Compliance

Size of Business	Deadline
100+ Employees	12 months after implementation (~January 2020)
50+ Employees	24 months after implementation (~January 2021)
5+ Employees	36 months after implementation (~January 2022)



CalSavers



- 2018: Program Build, Outreach and Education
- End of 2018: Pilot Program
- 2019: Full Program Launch





Outreach and Stakeholder Engagement

- Program will only succeed if we do effective outreach (in addition to advertising, marketing, etc.)
- Outreach must be culturally competent
- Trusted messengers will be essential to reaching target audiences (both employers and employees)
- Stakeholder Working Groups were key in program design; now shifting to outreach and education
- Outreach models for consideration and coordination: ACA, EITC





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