

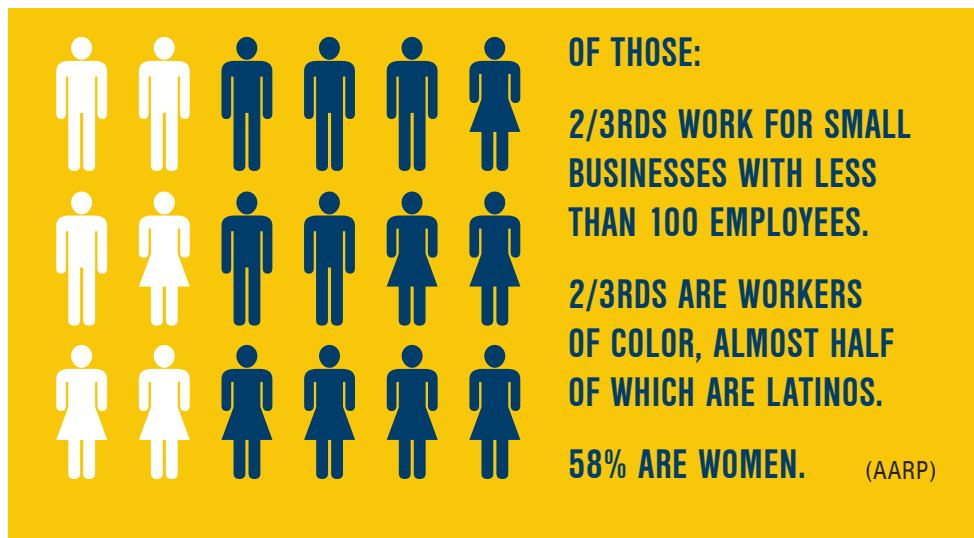
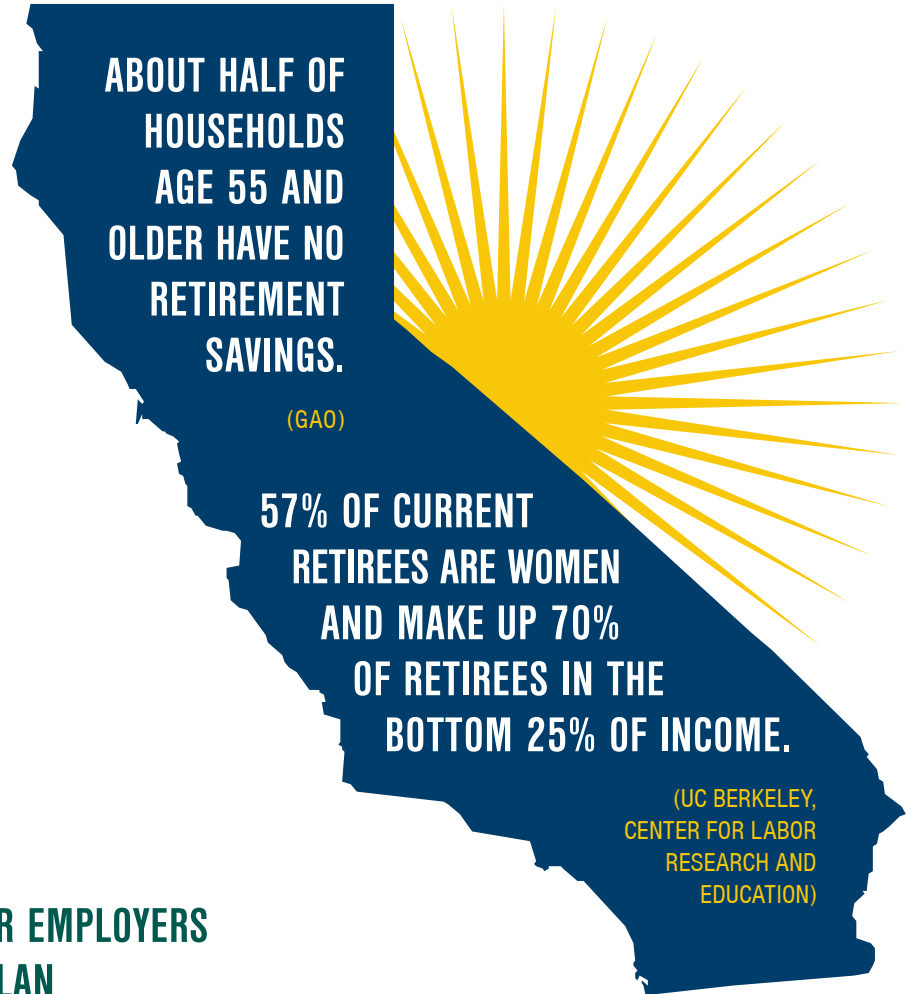
Making Workplace Retirement Savings Possible for 7.5 Million Californians

THE PROBLEM:

Three out of every four California retirees rely overwhelmingly on Social Security, leading to significant economic hardship. With each generation on track to retire poorer than the last, the strain on taxpayer funded health and human services will undermine the long-term financial stability of the state.

- Nearly half of California workers are on track to retire with incomes below 200 percent of the federal poverty level (\$22,000 a year), a widely accepted threshold for serious economic hardship. (UC Berkeley)
- At least 62% of retirees rely on Social Security for more than half their income.
- The average monthly Social Security retirement benefit is \$1,328.

7.5 MILLION CALIFORNIANS WORK FOR EMPLOYERS WHO DO NOT OFFER A RETIREMENT PLAN



CalSavers

CHAPTER 804 (CA STATUTES 2016):

A voluntary workplace retirement savings program that enables participation through automatic employee payroll contributions into a personal retirement account operated by the private sector financial firm Ascensus, and overseen by the public California Secure Choice Retirement Savings Investment Board.

WHAT CalSavers WILL MEAN FOR EMPLOYEES:

- **SIMPLE.** Automatic payroll contribution into a personal retirement plan, with the option to opt out or change contributions at any time. Automatic escalation of contribution rates up to 8% of salary with participant ability to stop or change the rate.
- **SAFE.** The Board will establish investment accounts professionally managed by State Street Global Advisors with government oversight. Default options will seek the appropriate balance between safety and growth. Participant fees will be low. The Board, and its relevant contractors, will have a fiduciary duty to the participants of the program.
- **PORTABLE.** Employees can contribute to their account throughout their working life.

WHAT CalSavers WILL MEAN FOR TAXPAYERS:

- There will be NO cost or liability to taxpayers. The program will be self-sustaining through participant fees.
- The state will have no liability for the program funding or performance.
- By enabling participants to save for retirement, they may be less reliant on taxpayer funded public services when they reach retirement age.

WHAT CalSavers WILL MEAN FOR EMPLOYERS:

- Enables employers to facilitate their employees access to an automatic IRA account with limited administrative duties, no out of pocket costs, and no fiduciary liability.
- Enables employers to comply with the new state mandate which applies to employers with 5 or more employees who do not offer an employer-sponsored retirement plan. These employers will be required to offer an employer-sponsored plan or provide their employees with access to the CalSavers Retirement program.
- Employers will be exempt from ERISA (Employee Retirement Income Security Act).

TIMELINE TO LAUNCH:

- November 2018: Pilot program registration
- January - June 2019: 6 month pilot
- July 2019: Program launch. Begin 3 year phased rollout of employer mandate beginning with the largest employers.

KEY SUPPORTERS:

- AARP
- Asian Business Association
- California Black Chamber of Commerce
- California Small Business Association
- California Asset Building Coalition
- California Association of Nonprofits
- Church IMPACT
- Los Angeles Latino Chamber of Commerce
- Unidos US
- United Ways of California
- SEIU California
- Small Business California
- Small Business Majority
- Young Invincibles

WORKERS WITH ACCESS TO A WORKPLACE RETIREMENT PLAN ARE 15 TIMES MORE LIKELY TO SAVE FOR RETIREMENT.

(AARP)

TWO-THIRDS OF SMALL BUSINESS OWNERS IN CALIFORNIA SUPPORT A STATE RETIREMENT SAVINGS PROGRAM THAT WOULD HELP SMALL BUSINESSES AND THEIR EMPLOYEES SAVE FOR THE FUTURE.

73 PERCENT OF RESPONDENTS THINK OFFERING SUCH A PROGRAM WOULD GIVE THEIR BUSINESS A COMPETITIVE EDGE.

(2015 SURVEY OF CA SMALL BUSINESS BY AARP AND SMALL BUSINESS MAJORITY)



FOR MORE INFORMATION VISIT: WWW.CALSAVERS.COM