



GEORGETOWN UNIVERSITY
McCourt School of Public Policy
Center for Retirement Initiatives

Comparison of Retirement Plan Design Features, By State: California, Illinois, Massachusetts, Oregon, and Washington

September 30, 2015

(rev. 11/11/15)

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	California Secure Choice Retirement Savings Program	Illinois Secure Choice Savings Program	Oregon Retirement Savings Program	Massachusetts Retirement Plan for Non-Profits	Washington Small Business Retirement Marketplace
Bill Sponsor	Sen. Kevin de León	Sen. Daniel Biss	Rep. Tobias Read, Rep. Jennifer Williamson and Sen. Lee Beyer	Rep. Garrett Bredley	Sen. Mark Mullet and Sen. Don Benton
Bill Number	SB 1234	SB 2758	HB 2960	H 3754	SB 5826
Bill Status	Enacted September 28, 2012	Enacted January 5, 2015	Enacted June 25, 2015	Enacted March 22, 2012	Enacted May 18, 2015
ERISA Applicability	To Be Determined	To Be Determined	To Be Determined	Yes	Marketplace plans can include ERISA plans and normal ERISA requirements apply to participating employers.
Ruling on ERISA Needed Prior to Implementation	Yes	No, but the Board must submit a written request to the U.S. Department of Labor about the applicability of ERISA.	No, but the Board must obtain legal advice on the applicability of ERISA.	Not Applicable	Not Applicable
Implement if ERISA Applies	No. The Board shall not implement the program if it is determined that the program is an employee benefit plan under the federal Employee Retirement Income Security Act (ERISA).	No. The Board shall not implement the program if it is determined that the program is an employee benefit plan under the federal Employee Retirement Income Security Act (ERISA).	No. The Board shall not establish the plan if it determines that the plan would qualify as an employee benefit plan under the federal Employee Retirement Income Security Act (ERISA) and/or applies to employers.	Yes	ERISA cannot apply to the state for operating the marketplace, but ERISA covered plans are allowed in the marketplace.
Market, Feasibility and/or Legal Analysis Required	Yes. Analyses to determine the necessary conditions for implementation including likely participation rates, contribution levels, and participants' comfort with investment vehicles and risks and if the plan will be self-sustaining. Funding must be provided by nonprofit or private entities or federal funding.	Not required by law; however, Illinois is conducting a market analysis as a part of its pre-implementation planning.	Yes. Analyses are required to determine the feasibility of the plan and to what extent similar plans exist in the market; to obtain legal advice regarding the applicability of ERISA to plan design; and to study aspects of employer and employee participation in the program. Funding available through appropriations to the Board.	No	No

	California Secure Choice Retirement Savings Program	Illinois Secure Choice Savings Program	Oregon Retirement Savings Program	Massachusetts Retirement Plan for Non-Profits	Washington Small Business Retirement Marketplace
Administrative Entity	Board – The California Secure Choice Retirement Investment Board. Board with nine (9) members: Treasurer (serving as chair); Director of Finance; the Controller; an individual with retirement savings and investment expertise appointed by Senate Committee on Rules; an employee representative appointed by Speaker of the Assembly; a small business representative appointed by Governor; and three additional members appointed by the Governor. The Board is in place and meeting monthly.	Board- The Illinois Secure Choice Savings Board. Board with seven (7) members: Treasurer (serving as chair); State Comptroller; Director of the Governor's Office of Management and Budget; two public representatives with expertise in retirement savings plan administration or investment appointed by Governor; a representative of participating employers appointed by Governor; a representative of enrollees appointed by Governor. The Board is appointed and has begun to meet.	Board –Oregon Retirement Savings Board with seven (7) members: Treasurer (serving as chair). The Governor shall appoint: a representative of employers; a representative with experience in the field of investments; a representative of an association representing employees; and a public member who is retired. A member of the Senate appointed by the President of the Senate; a member of the House of Representatives appointed by the Speaker of the House. The Board has been appointed and its first meeting is scheduled for early November 2015.	Agency- Office of the State Treasurer. There shall be in the Office of the State Treasurer a not-for-profit defined contribution committee. The committee shall consist of the Treasurer or a designee, who shall serve as chairperson, and additional members appointed by the Treasurer, two of whom shall have practical experience in the non-profit community and two of whom shall be currently employed by not-for profit corporations.	Agency- State Department of Commerce. The Director shall consult with the Washington State Department of Retirement Systems, the Washington State Investment Board, the Office of the Insurance Commissioner and the Department of Financial Institutions in designing and managing the marketplace. The Director will contract with a private entity to establish protocols for reviewing financial services firms interested in selling products and operating the marketplace website.
Administrators Compensated	No	No	Yes	Not applicable other than would apply to state employees.	Not applicable other than would apply to state employees.
Employers Affected	5 or more employees	25 or more employees	Employers that do not currently offer plans	Non-profits only with 20 or fewer employees	Fewer than 100 employees
Employer Participation	Mandatory. Employers retain the option at all times to set up any type of employer sponsored plan instead of the state arrangement.	Mandatory, with 2 year delay for new businesses. Employers retain the option of providing a plan available on the open market.	Mandatory. Employers can establish alternative retirement plans for some or all of its employees.	Voluntary	Voluntary
Penalties for Employer Non-Compliance	Yes. To be determined.	Yes - \$250 per eligible employee to start.	Not Specified	Not Applicable	Not Applicable

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Structure of Accounts	Traditional IRA	Roth IRA	Defined Contribution Plan (IRA is intent)	Defined contribution 401(k) plan	SIMPLE IRA; myRA (Roth IRA); payroll deduction IRA and others can be added. Must also offer “life insurance plans designed for retirement purposes.”
Automatic Enrollment	Yes	Yes	Yes	Yes	Business owners may auto enroll as IRS rules allow - no state requirement.
Employee Opt-Out	Yes	Yes	Yes	Yes	Participation is voluntary for employees.
Employee Re-Enrollment after Opt-Out	Yes, but only during designated open re-enrollment period.	Yes, but only during designated open re-enrollment period.	Not Specified	Not Available	Not Specified
Default Contribution Rate	3% (with administrative discretion in the range of 2% to 4%).	3%	To be set by the Board	6% or can choose 4% with auto-escalation up to 10%	Not Specified
Employer Contribution	Permitted unless ERISA applies.	Not permitted	Not permitted	Permitted	Permitted (encouraged by the inclusion of ERISA covered plans in the marketplace).
Availability to Other Employers	Yes. Employees of nonparticipating employers and the self-employed may be allowed to contribute.	Yes. Other employers with fewer than 25 employees may be allowed participate.	Will be determined by market analysis.	No	Yes. The self-employed and sole proprietors are eligible to participate in the marketplace.
Tax & Other Incentives	Yes. Disseminate information about tax credits available to small businesses for establishing retirement plans. Also, encourage the use of federal Saver’s Tax Credit available to low and moderate income households to encourage retirement savings.	Not specified	Board can examine ways to reduce costs through incentives, tax credits or other means.	Not Available	Yes. Can identify and promote existing federal or state tax credits and other benefits to encourage retirement savings or participation in retirement plans.

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Investment of Assets	Asset categories for the investment of funds includes: equities; US and corporate debt obligations; securities; money market funds; mutual funds; insurance agreements; and FDIC-insured bank products. Equities cannot exceed 50 percent of overall asset allocation of the fund.	Investment options for enrollees to include: default life-cycle target date fund and any or all of the following: a conservative principal protection fund; a growth fund; a secure return fund; and an annuity fund.	Not specified	13 custom target date funds; 4 objective base funds: growth fund; income fund; capital preservation fund; and an inflation protection fund.	Firms participating must offer a minimum of two product options: a target date fund or similar fund and a balanced fund.
Investment Management	The California Secure Choice Retirement Savings Trust's Program Fund is to be invested as determined by the Board as its Trustee. The Board will engage outside investment firm(s). The Fund must be self-sustaining. Collective, common and pooled investment of assets. The Board may establish a "Gain and Loss" Reserve Account to allocate interest, at the stated interest rate, as needed. There must be a mechanism in place to protect the value of individuals' accounts and holds the state harmless against any liability. The Board must establish effective risk management and oversight programs.	The Illinois Secure Choice Program Fund is established with the Board as its Trustee and moneys in the fund from enrollees and participating employers will be held as pooled investments to achieve cost savings through efficiencies and economies of scale. The Board will engage outside investment firms, as needed. The Fund will maintain individual accounts for enrollees. The Fund is the not the property of the State and cannot be comingled with State funds. The Board also must establish effective risk management and oversight programs.	Pooled accounts established under the plan for investment; accounts will be professionally managed. Plan must maintain separate records and accounting for each plan account. May not guarantee any rate of return or interest rate on any contribution.	Not Available	Not Specified

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Fees	No more than 1%.	No more than .75%	Must keep administrative fees low.	Custom Target Date Funds: 22-86 bps Growth: 60 bps Income: 40 bps Capital Preservation: 40 bps Inflation Protected: 86 bps	No more than 1%
Program Funding	The California Retirement Savings Trust includes an Administrative Fund and a Program Fund and the Trust must become self-sustaining. Moneys from the Program Fund are transferred to the Administrative Fund to cover the operating costs of the program. The State can accept any grants, gifts, legislative appropriation, and other moneys from the state, any unit of the federal, state or local government or any other person, firm, partnership or corporation for deposit to the program or administrative fund.	The Illinois Secure Choice Administrative Fund is created as a non-appropriated separate and apart trust fund in the State Treasury. The Administrative Fund is to be used by the Board to pay for administrative expenses it incurs. The Administrative Fund may receive any grants or other moneys designated for administrative purposes from the State, or any unit of federal or local government, or any other person, firm, partnership, or corporation.	The Oregon Retirement Administrative Savings Plan Fund must be self-sustaining and is established from funds to be continuously appropriated to the Board. It is separate and distinct from the General Fund. The Plan Fund consists of money appropriated by the Legislative Assembly; moneys transferred from the federal government, other state agencies or local governments; moneys from payment of fees; any gifts or donations; and earnings on moneys in the fund. The Legislature appropriated \$250,000, which may be used only for reimbursing other state agencies for providing outreach or technical assistance services; and \$743,541, which may be used only for the operating expenses of the Board. The appropriation is a General Fund loan.	Not Available	The Legislature appropriated \$524,000 for the Department of Commerce for the two year budget cycle beginning July 1, 2015. In addition to any appropriated funds, the Director may use private funding sources, including private foundation grants, to pay for marketplace expenses. On behalf of the marketplace, the Department shall seek federal and private grants and is authorized to accept any funds awarded to the department for use in the marketplace.

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Establish Website	Yes. The creation of a Retirement Investments Clearinghouse, but only if there is sufficient interest in a site by private sector providers and if the private sector provides the funds to build and maintain the site. The website would contain information on the vendor registration process, retirement plans, and statements from participating vendors. Vendors must offer an appropriate array of accumulation funding options, including, but not limited to, investment options that offer guaranteed returns and the conversion of retirement savings account balances to secure retirement income, a diversified mix of value, growth, growth and income, hybrid and index funds or accounts across large, medium and small capitalization asset classes.	Yes. There must be sufficient interest in a site by private sector providers and if the private sector provides the funds to build and maintain the site.	Not Specified	Yes. Retirement Income Control Panel – web based tool to allow participants to view hypothetical projections of retirement income based on assumptions on account balances, savings and rate of return.	Yes. Marketplace website would include information on how eligible employers can participate in the program.
Implementation Timeline	The Board must complete the market and legal analyses and report to the Legislature for authorization before it can launch its program. Current plan is to complete the analyses by year end 2015 and go back to the Legislature in 2016.	Enrollment of participants must be possible within 24 months after the effective date of the Act (by June 1, 2017). Employers then have 9 months after that date to set up their automatic payroll deposits for their employees. If the Board does not have adequate funds to implement the program within the specified timeframe, the Board may delay implementation.	By December 31, 2016, the Board must provide a report to the Legislative Assembly including, but not limited to, the market analysis, ways to increase financial literacy, analysis of cost to employers, and a timeline for program implementation so individuals may begin making contributions no later than July 1, 2017.	Not Available	Rules to implement the program must be presented by January 1 st of the year to be adopted and cannot be adopted until the end of the legislative session that year.

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