

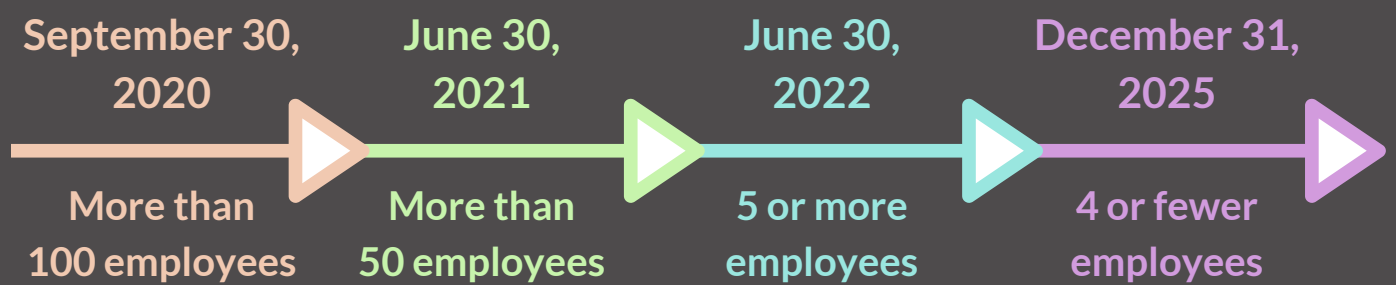
# CalSavers

## IMPLEMENTATION UPDATE

as of January 31, 2024

- CalSavers opened for statewide enrollment on July 1, 2019 for the 7.4 million private-sector workers in the state who do not have access to an employer-sponsored retirement savings plan.
- The program offers participants a simple, portable, low-cost way to save via a Roth IRA account with a set of investment options.
- A small group of employers participated in a pilot program conducted in two waves, the first in late November 2018 and the second in mid-April 2019.
- Individuals who are self-employed or gig workers are able to voluntarily join the program.

## Employer Registration Timeline<sup>1</sup>



## Current Status<sup>2</sup>

133,569	employers registered
484,859	funded accounts
36.8%	effective opt-out rate
\$190	average monthly contribution amount
5.2%	average contribution rate
\$766.0 million	total assets

- Effective January 1, 2023, employers with at least 1 employee that currently do not provide qualified savings plans must use the CalSavers program or select a qualified plan in the private market by December 31, 2025 (change from 5 or more employees).
- Employees who do not opt out begin saving at a default rate of 5% of pay. Contribution rates for participants will automatically increase 1% beginning on the first day of each year until they reach 8% of gross pay.<sup>3</sup>
- For the first 30 days, funds are held in a capital preservation fund and then moved into the age-appropriate default TDF investment option (funds not held if an investment option is selected).<sup>4</sup>
- Employee participation is voluntary. Employees may opt-out, or choose to change their contribution level or investment fund option at any time.

Source:

1. From CalSavers. For more information about the program, go to the [CalSavers Homepage](#).

2. [Participation & Funding Snapshot from CalSavers](#), Data as of January 31, 2024.

3. The automatic increase only applies to participants who have been contributing for six months or more, are currently contributing less than 8 percent, and have not opted out of automatic contribution increases. Participants may opt out or back in to automatic contribution increases at any time.

4. Former default option directed first \$1,000 of contributions into a capital preservation fund then into TDF.