



# California Secure Choice Retirement Savings Investment Board

*September 24, 2018*

# Agenda

- Ascensus as CalSavers Partner
- Vision and Road Map for CalSavers
- Platform Demonstration
- Key Support Areas





# Ascensus as CalSavers Partner

# Why Ascensus

- Aligned Mission
- Unique Experience
- Best-in-Class Technology
- Flexible Support Model
- IRA Legal and Compliance Expertise
- Marketing and Outreach Collaboration

# Largest independent retirement and 529 administrator\*



**35+**

years of experience



**2,700+**

highly trained associates



**73,000+**

retirement plans



**\$196+ billion**

in assets under administration



**1.6+**

million IRA/HSA  
accounts serviced



**4.3+**

million 529 accounts serviced

\*As of 6/30/18

# A partner you can trust



## Inc. 5000

Ranked for two years on the Inc. 5000 list of fastest-growing private companies in the U.S.



## Winner of 196 Cups

Winner of 196 cups in the PLANSPONSOR Survey from 2008 – 2017



## NQR

National Quality Review 5 star rating for service quality in 21 of the last 22 quarters



## Top Value

Ranked among top retirement plan providers most associated with “value for price” in the 2017 PLANADVISER Retirement Plan Adviser Survey

# #1

## 529 Program Manager

Ranked #1 529 program manager in assets under Management by Strategic Insight



## Marketing Excellence

Winner of 32 marketing awards in 2018 from the International Summit, ASTRA, Business Intelligence Group, and Financial Communications Society awards programs

# Key objectives

## 1 Help Californians save for retirement

- ## 2
- Simple, intuitive technology and content
  - World class service and support
  - Low cost, effective investment options

## 3 A FLAWLESS roll-out





# Platform Demonstration



# Platform Overview

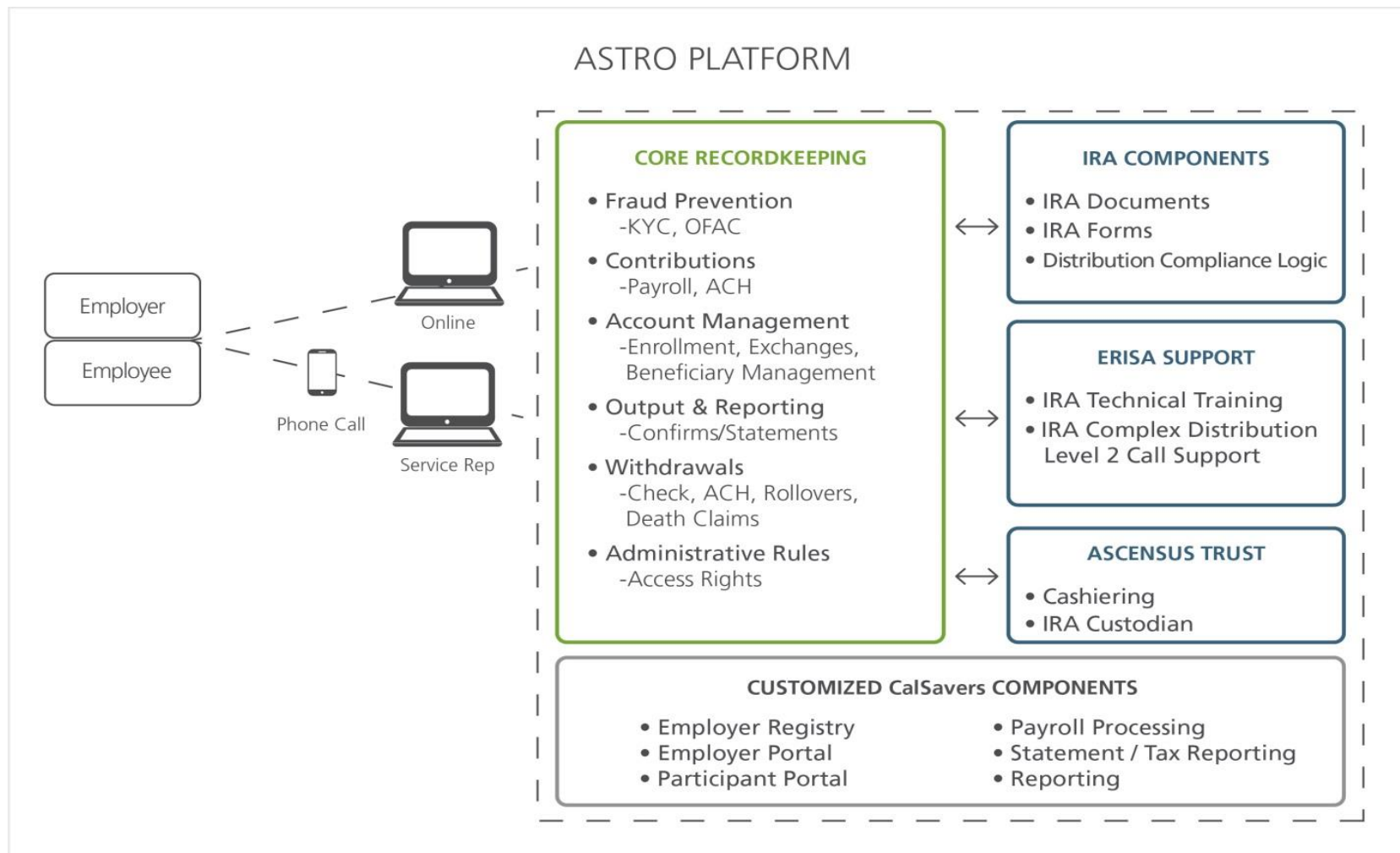
Ascensus has invested in a purpose-built platform (Astro)

- Dedicated to state-sponsored retirement programs
- Dedicated staff of developers, testers, and product owners

Astro design incorporates 24 months of iterative improvement

- Registration sessions with employers
- Forums and discussions with payroll providers
- Suggestions by client services representatives

# A New Platform with Proven Components



# Feature Roadmap - Platform

Feature	Target Live Date	Description
Public Website	10/20/2018	The program information site becomes available on the internet under calsavrs.com. Includes full umbrella page, employer page, and saver page in English and Spanish.
Secure Websites (ER / EE)	11/17/2018	These are the "behind the login" portions of the sites.  <b>Employer pages</b> will support: pilot employer registration, entry of employees, and payroll setup.  <b>Saver pages</b> will support: opt-out, web registration, and the ability to change contribution percentage or investments.
Back Office Functionality (pricing/trading/nightly cycle)	1/1/2019	Full capabilities in place to receive nightly portfolio prices, send trade information to the investment managers, and apply payroll contributions to saver accounts.
Participant Statements	4/15/2019	The first full quarter of financial transactions for the program will end on March 31, 2019. This functionality will support creation and distribution of these statements.
Mobile Application	6/1/2019	This effort will provide a critical means of program interaction to many potential savers. Will include application versions to support both iOS and Android type smartphones.
EE Opt-In Participation (self-employed /no plan)	7/1/2019	In order to ensure the widest program coverage, CalSavers must be made available to gig economy workers who may be paid as independent contractors. This feature provides online enrollment screens for prospective savers who are not invited to the program through an employer.
Traditional IRAs	7/1/2019	This feature will permit existing savers to recharacterize contributions to a Traditional IRA, and also allow newly enrolled savers to choose this account type prior to payroll contributions being received.
Rollovers In	12/31/2019	Will provide a user-friendly means for a saver to initiate a rollover of other retirement assets into a CalSavers account.
Rollovers Out	12/31/2019	Will provide a user-friendly means for a saver to roll CalSavers assets into an external retirement account. Throughout 2019, access to funds will be available as a refund of contributions.
Auto-Escalation	1/1/2020	Includes employee and employer communications in advance of initiating a 1% increase for those savers who have this option set; 1/1/2020 will apply only to Pilot participants, as the first wave participants onboarding in mid-2019 will not have been in the program for at least six months.

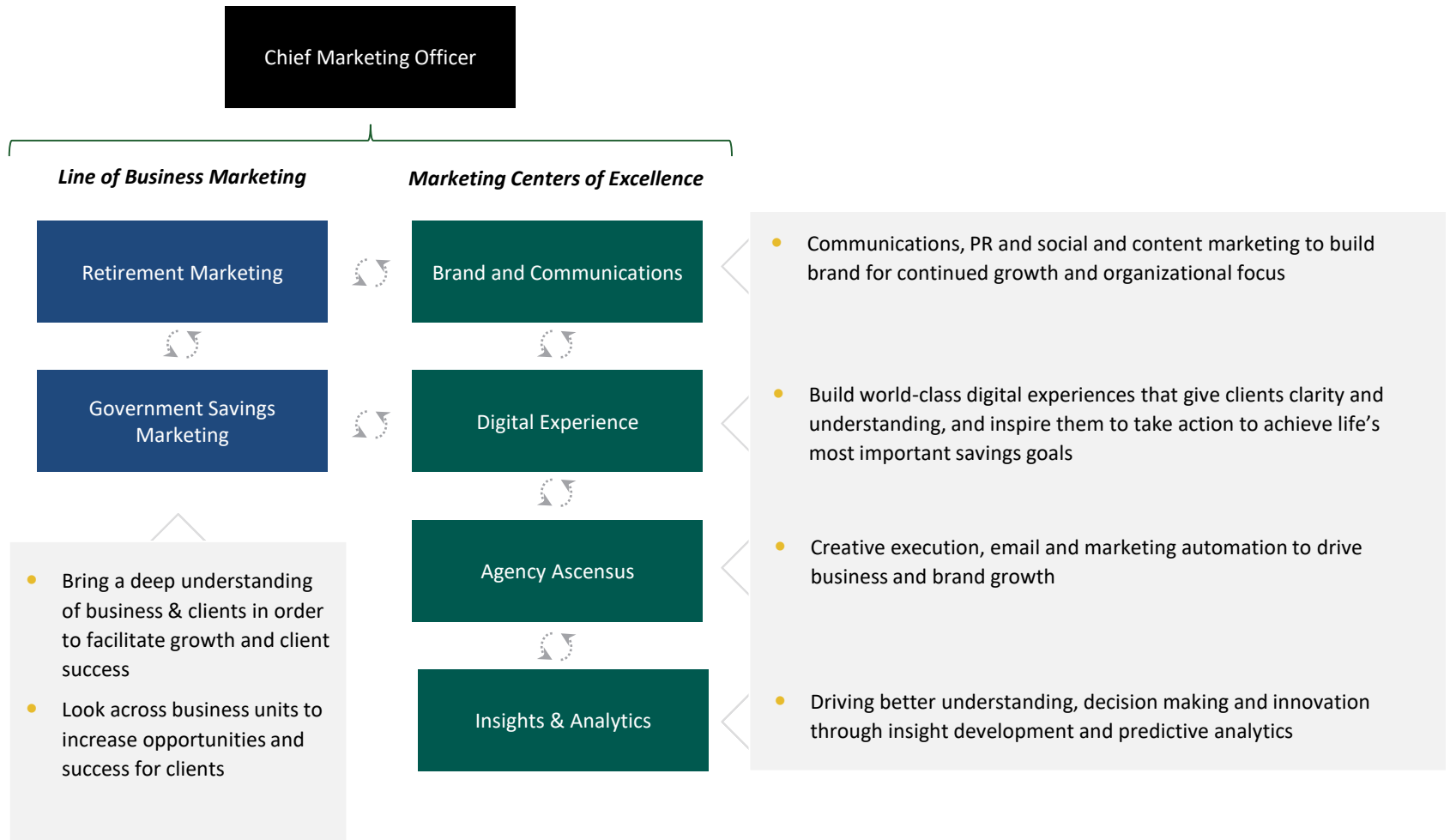




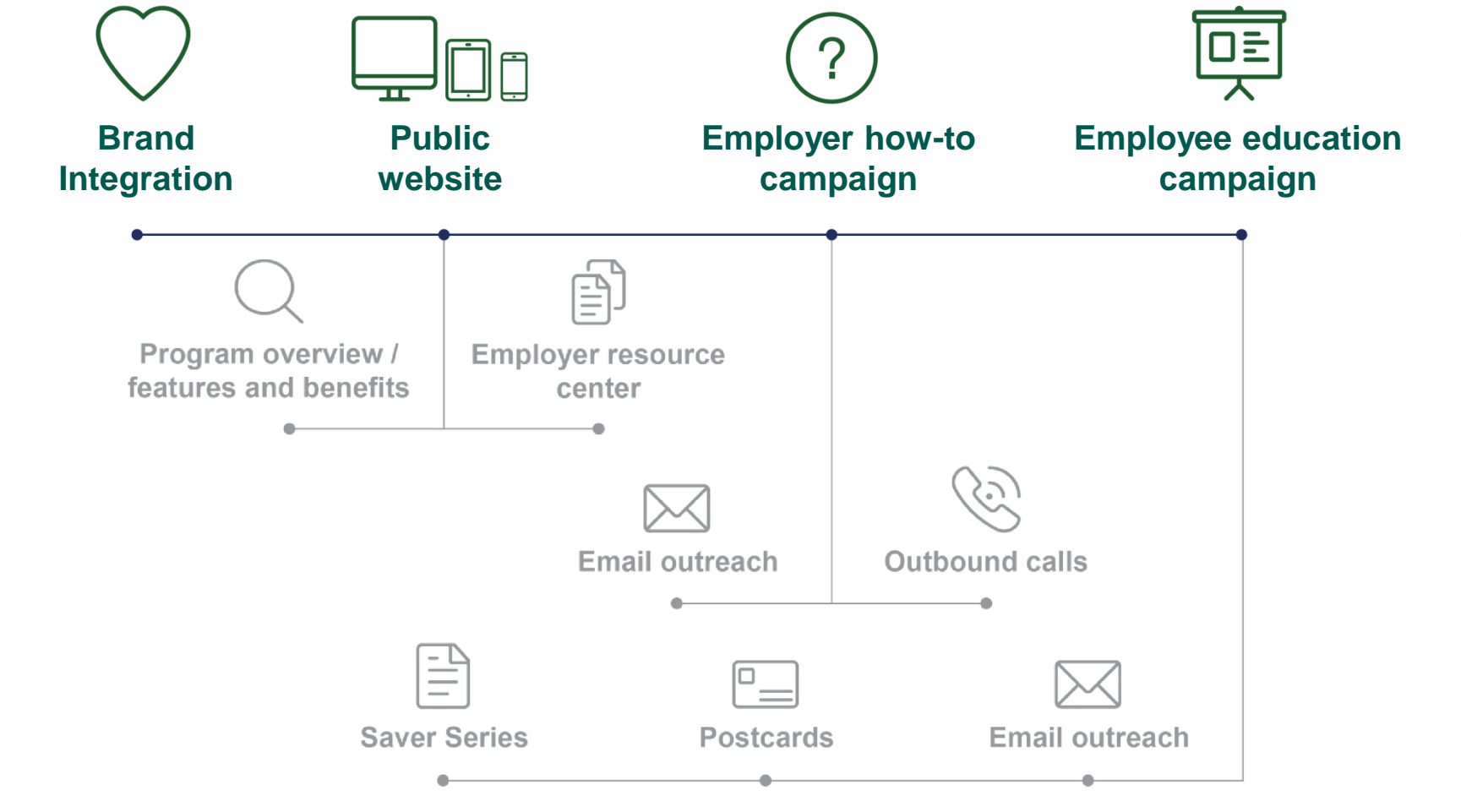


## Marketing and Outreach

# Marketing Organization Model



# Deliverables





**RGB** 0, 89, 79  
**HEX** #00594F



**RGB** 132, 105, 38  
**HEX** #846926



**RGB** 86, 89, 88  
**HEX** #565958

The use of vibrant life-giving green and the metallic brown conveys trust, wealth, and the earthy life-enriching atmosphere that is part of living and working in California. For a modern and dynamic look, gray may be used as a secondary color.



# In-state Support

Grassroots outreach is key to early and ongoing success

- Regional information sessions for employers / employees
- Partnering with employer groups to provide information / training
- Help employers understand how to register
- Help employees understand the benefits

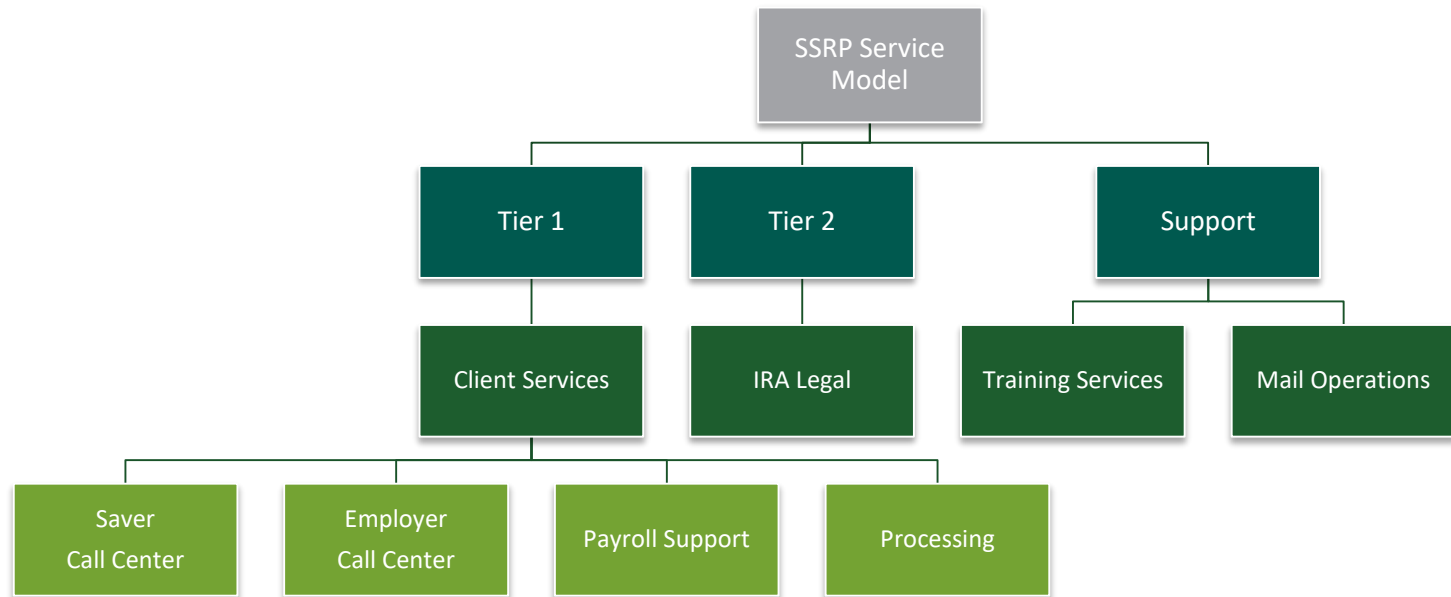
Together we will

- Define the role
- Determine how to measure success
- Refine as we learn through the pilot and beyond

A woman with dark hair tied back, wearing a purple polo shirt, is shown in profile, looking at a computer screen. She is sitting at a desk with a mouse and some papers. In the background, other people are blurred, suggesting a busy office or call center environment. A semi-transparent yellow banner is overlaid across the middle of the image.

# Client Services

# SSRP Service Model



- Staffing model is based on Employee/Employer behavioral assumptions and anticipated service volumes
- Detailed reporting closely tracks service needs and quickly pivots assumptions and anticipated volumes
- Program history will give us better analytics and more confident assumptions for volumes and staffing needs

# Tier Structure

- Tier 1: Handles all incoming Employer/Employee calls and emails
- Tier 2: Support Tier 1 with more complicated service issues related to certain IRA specific items (Death Claims, Legal Documents, etc.)

## Tier 1

- Onboarding
- Contributions
- Distributions
- Tax Benefits
- Beneficiaries
- Portability
- Account Maintenance
- Reporting/Withholding
- Taxation

*Para obtener asistencia en español contáctese con nuestro equipo de servicio al (844) 661-xxxx*

## Tier 2

- Power of Attorney
- Divorce
- IRA Levy
- Bankruptcy
- Creditor
- Advance Beneficiaries Issues
- Death Claims
- Employer Plan options
- Excess Contributions
- Re-characterizations
- Revocations
- Conversions
- Reporting on tier II topics



# CalSavers Call Center Training

Four weeks of comprehensive training

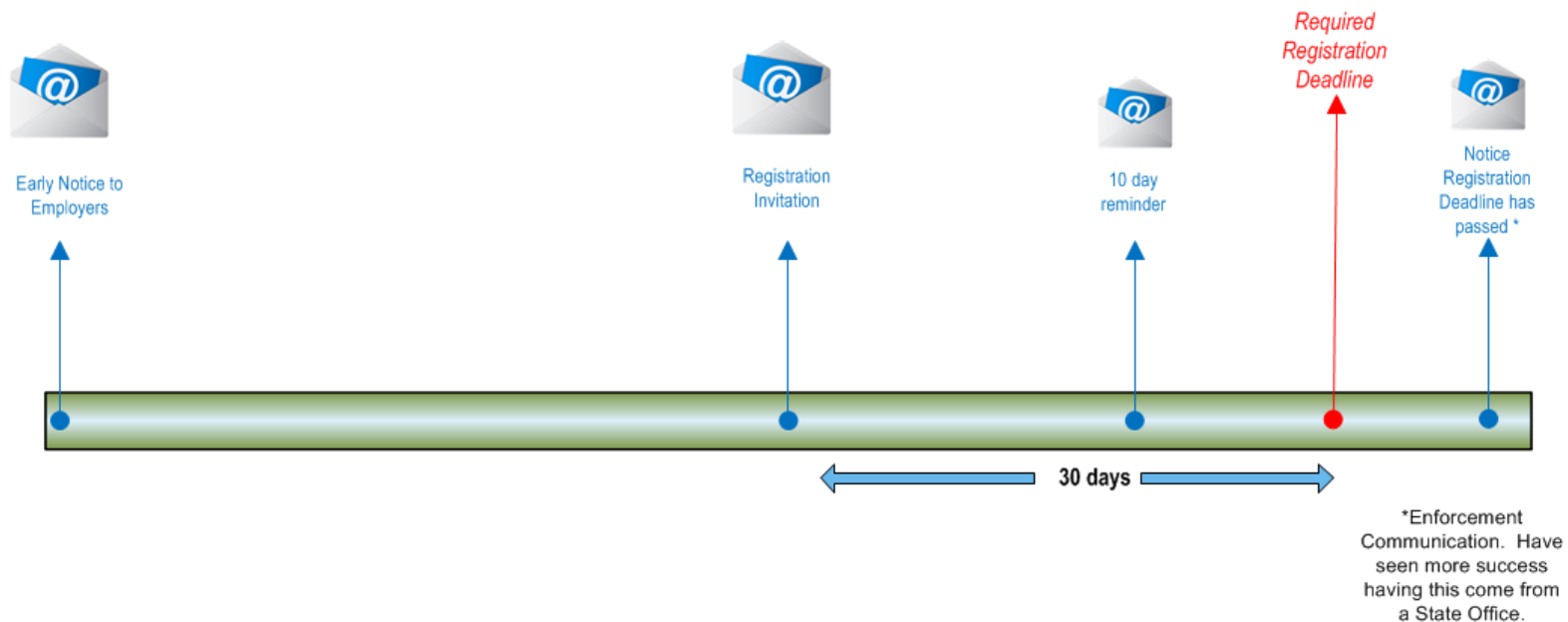
- Classroom and Self-paced Courses
  - Instructor led courses
  - Online courses
  - Hardcopy and electronic version of program specific training materials
- CalSavers Program Overview
  - Rules
  - Features
- IRA Compliance Training
  - IRA essentials
  - Case studies
  - Completion of basic IRA transactions

# CalSavers Call Center Training

Four weeks of comprehensive training

- Employer and Employee Portal Overview
  - Onboarding and registration workflows
  - Transaction processing
- ASTRO Application
  - Transaction processing
  - Case management
- Call Center Skills
  - Communicating effectively and business of service
  - Review SSRP calls
  - Mock calls
  - Evaluation sheet

# Employer Communications Timeline



- Registration can occur anytime within 30 days of invite
- Registration date will begin 30 day enrollment window
- ER Enrollment triggers EE invite and 30 day EE Opt-out period

A woman with dark hair in a ponytail, wearing a purple polo shirt, is shown in profile, looking at a computer screen. She is sitting at a desk in what appears to be a classroom or office environment. Other people are blurred in the background. A semi-transparent yellow banner is overlaid across the middle of the image.

## Legal & Compliance



# IRA Services



## IRA Administration

- Complete IRA administration services and IRA documents
- IRA custodial services



## Education & Training

- Extensive training products
- Nationally recognized seminars
- IRA professional designations



## Consulting

- Real-world experts guide clients step-by-step
- On-site compliance audits of IRA programs



## IRA Resources

- Drive compliance in an ever-changing marketplace

# New State IRA Program Compliance Items

Regulatory Guidance,  
Capitol Hill Advocacy



IRA Consulting

A screenshot of the IRS Form 5305, "Traditional Individual Retirement Trust Account". The form is titled "5305 Traditional Individual Retirement Trust Account" and includes a subtitle "Single account filing of the Internal Revenue Code". It contains various fields for the grantor, trustee, and beneficiary, as well as a section for "Articles" which are listed in a table. The form is a standard IRS document used for reporting on a traditional IRA.

State Rulemaking:  
Oregon, Illinois



Written  
comments



Public  
hearings



Consultation

# New State IRA Program Compliance Items

## Litigation Strategy Support



## State agencies



## Coalitions



CENTER for  
RETIREMENT  
RESEARCH  
at BOSTON COLLEGE



GEORGETOWN UNIVERSITY  
McCourt School of Public Policy  
Center for Retirement Initiatives

## Compliance Review of Marketing Materials



## California Privacy Law

- Effective January 1, 2020
- Ascensus doesn't share or sell personal data
- Compliance task force is already formed



## Challenges / Progress to date

# Challenges

- Awareness
- Readiness
- On time, on budget
- Impact
- Reputation



# Progress to date

ID	Task Name	% Complete	Start	Finish
1	<b>CalSavers Implementation</b>	<b>9%</b>	<b>Thu 8/16/18</b>	<b>Fri 5/31/19</b>
2				
3	<b>Board Meetings</b>	<b>20%</b>	<b>Thu 8/16/18</b>	<b>Mon 12/17/18</b>
4	August Board Meeting	100%	Thu 8/16/18	Thu 8/16/18
5	September Board Meeting	0%	Mon 9/24/18	Mon 9/24/18
6	October Board Meeting	0%	Tue 10/16/18	Tue 10/16/18
7	November Board Meeting	0%	Mon 11/19/18	Mon 11/19/18
8	December Board Meeting	0%	Mon 12/17/18	Mon 12/17/18
9				
10	<b>Legal</b>	<b>23%</b>	<b>Mon 8/20/18</b>	<b>Fri 11/2/18</b>
11	<b>Program Management Agreement</b>	<b>100%</b>	<b>Mon 8/20/18</b>	<b>Thu 9/20/18</b>
15	<b>Data Sharing Agreement</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Fri 10/5/18</b>
19	<b>Administrative Rules</b>	<b>100%</b>	<b>Wed 9/5/18</b>	<b>Tue 9/18/18</b>
23	<b>Program Description</b>	<b>26%</b>	<b>Wed 9/5/18</b>	<b>Fri 10/19/18</b>
24	<b>Draft 1</b>	<b>100%</b>	<b>Wed 9/5/18</b>	<b>Wed 9/19/18</b>
28	<b>Draft 2</b>	<b>0%</b>	<b>Wed 9/19/18</b>	<b>Fri 9/28/18</b>
32	<b>Draft 3</b>	<b>0%</b>	<b>Mon 10/1/18</b>	<b>Mon 10/8/18</b>
36	<b>Final</b>	<b>0%</b>	<b>Tue 10/9/18</b>	<b>Fri 10/19/18</b>
41	<b>Ascensus vendor agreements</b>	<b>1%</b>	<b>Fri 9/14/18</b>	<b>Fri 11/2/18</b>
42	<b>Bank of New York Mellon</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Mon 10/29/18</b>
47	<b>Taylor Communications</b>	<b>0%</b>	<b>Fri 9/28/18</b>	<b>Fri 11/2/18</b>
52	<b>Ascensus Trust Company</b>	<b>0%</b>	<b>Fri 9/28/18</b>	<b>Fri 10/12/18</b>
57	<b>AIA and SSGA</b>	<b>6%</b>	<b>Fri 9/14/18</b>	<b>Mon 10/15/18</b>
58	<b>Operational Agreement</b>	<b>6%</b>	<b>Fri 9/14/18</b>	<b>Mon 10/15/18</b>
62				
63	<b>Marketing</b>	<b>10%</b>	<b>Tue 8/28/18</b>	<b>Tue 10/23/18</b>
64	<b>Branding</b>	<b>66%</b>	<b>Thu 8/30/18</b>	<b>Thu 9/27/18</b>
69	<b>Marketing Plan</b>	<b>68%</b>	<b>Tue 9/4/18</b>	<b>Wed 9/19/18</b>
73	<b>Public Website design</b>	<b>31%</b>	<b>Tue 8/28/18</b>	<b>Tue 10/23/18</b>
109	<b>Mobile app design</b>	<b>50%</b>	<b>Fri 9/21/18</b>	<b>Thu 10/4/18</b>
111	<b>Employer materials</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Thu 10/18/18</b>
120	<b>Forms</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Fri 10/19/18</b>
138	<b>Emails</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Thu 10/11/18</b>
151	<b>Hardcopy communications</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Thu 10/11/18</b>
161				
162	<b>Platform</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Fri 5/31/19</b>
163	<b>Public Website build</b>	<b>0%</b>	<b>Tue 9/25/18</b>	<b>Mon 11/12/18</b>
194	<b>ER and EE portals</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Fri 11/30/18</b>
198	<b>Mobile app build</b>	<b>0%</b>	<b>Fri 10/5/18</b>	<b>Fri 5/31/19</b>
202	<b>Output</b>	<b>0%</b>	<b>Fri 10/12/18</b>	<b>Thu 11/8/18</b>
204	<b>Reporting</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Thu 10/18/18</b>
207	<b>Employer Data</b>	<b>0%</b>	<b>Fri 9/21/18</b>	<b>Mon 10/22/18</b>
215				
216	<b>Investments</b>	<b>3%</b>	<b>Wed 9/12/18</b>	<b>Wed 12/26/18</b>
217	<b>Investment/portfolio lineup</b>	<b>50%</b>	<b>Fri 9/21/18</b>	<b>Mon 9/24/18</b>

## Progress to date

ID	Task Name	% Complete	Start	Finish
220	Banking Operations	2%	Wed 9/12/18	Fri 10/19/18
227		0%	Wed 12/26/18	Wed 12/26/18
231				
232	Client Services	25%	Fri 9/14/18	Thu 11/1/18
233	Staffing	40%	Fri 9/21/18	Thu 11/1/18
236	Servicing	20%	Fri 9/14/18	Thu 11/1/18
243				
244	Relationship Management	2%	Tue 9/18/18	Fri 11/16/18
245	Field reps	2%	Tue 9/18/18	Fri 11/16/18
251				
252	Program Launch	0%	Fri 9/21/18	Fri 3/1/19
253	Public Website	0%	Fri 10/19/18	Mon 11/12/18
257	Pilot Phase	0%	Fri 9/21/18	Tue 1/1/19
262	Waves	0%	Fri 9/21/18	Fri 3/1/19

Page 2



# Appendix

# IRA Legal & Compliance Services



50 IRA & QRP Professionals

- Attorneys, CPAs, Industry Credentialed Consultants



IRA Consulting

- 80,000 calls per year from financial organizations, financial advisors, consumers

IRA Administration

- 300,000 calls per year from financial organizations



Educate thousands of IRA professionals annually

- Industry IRA Certification programs
- Upcoming Ascend conference – Las Vegas November 12-14





# Risk Management

# Risk Management – role and structure

## Role

- To assist the organization in identifying, assessing, managing and mitigating internal and external risk

Fraud Prevention	Vendor Risk Management
External Audits	Risk Assessments
Incident Response	Disaster Recovery/BCP

## Structure

- Risk Management Team
  - 8 associates in Newton, MA
- Risk Management Committee
  - Provides divisional and corporate level oversight
  - Cross-functional executive level representation
  - Evaluates risks and determines which items should be reflected on the Corporate Risk Register

# Risk Management - responsibilities

## Fraud prevention

- Identification and analysis of anomalies and suspicious activity
  - Transaction amount and frequency
  - Web behavior analysis including page views, website visits, IPs
- Automated fraud platform for detections and alerts
- Annual training required for all associates
- Monitor industry trends through FS-ISAC and ICI fraud working groups

## Incident response

- Process to report, communicate, track, remediate, and analyze issues
- Serves as ongoing risk assessment/exposure monitoring tool
  - Cross-functional team meets bi-weekly to discuss new incidents, status of remediation efforts, and any trends or risks to the business

# Risk Management - responsibilities

## Risk assessments

- Annual control risk assessment performed by control owners
  - To assess likelihood and impact of control failure
  - Allows Risk Management team to focus testing efforts on high risk controls
- Annual Management Risk Assessment
  - To evaluate and assess risks related to business and/or team objectives

## External audits

- SSAE18 SOC1 and SOC2
- Annual Financial Statement Audit support

# Risk Management - responsibilities

## Vendor Risk Management Program

- New vendor due diligence
  - Questionnaire, contract review, security assessment, on-site visits
- Ongoing vendor due diligence
  - Ongoing process to assess current vendors

## Disaster recovery / business continuity

- Full redundancy with primary and backup data centers
  - Primary - AT&T Tier 4 facility (Watertown, MA)
  - Backup – CenturyLink (Elk Grove, IL)
    - *Instantaneous redirection/reallocation of calls and processing between all locations*
- Annual testing
  - Data center failover test – To test loss of primary data center
  - Tabletop exercises – To evaluate our ability to execute on the plan





# IT Overview / Security

Gabe Small and Diana Riley

# How does Ascensus protect your data?

## 1. Transferring of Data Between Entities

- File transfers are encrypted using SFTP, FTP/S, or FTP with PGP
- Websites are encrypted with 256-bit AES encryption

## 2. Distributed Denial Of Service Mitigation

- Subscribe to upstream filtering and monitoring services

## 3. Minimize the Attack Surface for Data Hackers

- Open only the necessary protocols needed internally and externally of our network

## 4. Multi-Tier and Multi-Vendor Firewalls

- Deploy firewalls in multiple tiers within our infrastructure
- Utilize firewalls from multiple vendors to ensure a vulnerability from one vendor won't impact the entirety of the network

## 5. Daily Security Review and Event Monitoring

- Daily review of all successful and failed connection attempts
- Every system change is a planned and pre-approved action

# Ascensus Information Security Program

- Bi-Annual Penetration Testing
- Security Awareness Training
- External Anti-Phishing Program
- IT Compliance Programs/Documentation
- Internal Security Assessments
- Additional Prevention Programs/Measures
  - Data Loss Prevention
  - Dynamic Code Analysis
  - Network Vulnerability Assessments
  - Multi-Factor Authentication
  - Mobile Device Management