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NOVEMBER 18, 2019

AGENDA ITEM 5  
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

*2020 Statutory Amendments—Technical Cleanup*

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***Summary***

CalSavers staff have identified a variety of amendments that would improve our enabling statute, Title 21 of the California Government Code. For this item, staff will seek the California Secure Choice Retirement Savings Investment Board’s (Board) approval for a variety of statutory amendments to be pursued during the 2020 legislative session.

As established in the Board’s Governance Policy, staff will take every effort to seek Board approval for any notable actions related to the legislation at a Board meeting. If there is insufficient time to consider an action at a Board meeting, staff will use its delegated authority to take a position, in consultation with the Board chair, and report to the Board on any position taken.

***Detail***

Below is a brief summary of the statutory amendments identified by staff as changes to pursue in 2020. If approved by the Board, staff will begin efforts to engage relevant legislators on the proposed legislation and update the Board on legislative progress at each Board meeting in 2020.

Obsolete Language

Update obsolete, pre-implementation language (e.g. “...prior to implementation...” or “the board shall implement”) in various sections. Update Section 100002(e)(1) to remove language prescribing how the Board could establish investment options prior to adopting an investment policy statement.

Open Enrollment

Statute requires the Board to implement a re-enrollment process for employees who had previously opted out (referred to in the statute as an open enrollment period) at least once every two years. Unlike other traditional open enrollment periods, employees may enroll in CalSavers at any time. In the open enrollment period prescribed by statute, employees who previously opted out of the Program will receive the employee information packet and, if they do not opt out again, will be automatically enrolled into the Program.

In previous meetings, the Board expressed an intention to study the value of this policy feature.

Staff propose altering the sections of statute regarding the re-enrollment process to give the Board authority to choose whether or not it will implement it by change the word “shall” to “may”.

#### Opt-Out Methods

Language in statute could be improved to make clear that a variety of opt-out methods are permissible—including by phone.

#### Staff’s Delegated Authority for Rulemaking

Statute may not necessarily provide the Board the ability to delegate certain regulatory authority to staff. To avoid situations in which the Board is required to approve modifications to regulations, statute could be amended to clearly allow the Board to delegate that authority.

#### Alternative Board Name

In 2018, the Legislature, following the Board’s action, changed the name of the program from the “California Secure Choice Retirement Savings Program” to the “CalSavers Retirement Savings Program,” however the Board’s legal name remains the “California Secure Choice Retirement Savings Investment Board.” To reduce confusion and improve consistency of branding, staff propose changing the Board’s name to the “CalSavers Retirement Savings Board.”

#### Alternative Trust Name

Similar to the Board’s name, the Program trust is the “California Secure Choice Retirement Savings Investment Trust.” Staff propose changing the name to the “CalSavers Retirement Savings Trust”.

In addition, staff intend to seek a minor modification to the Business and Professions Code to enable interagency data sharing related to employer outreach efforts.

#### ***Staff Recommendation***

Approve staff recommendations to 1) engage legislators on technical cleanup legislation in 2020 and 2) approve the statutory amendments in substantially the same form as included in this item.

#### ***Attachments***

- Attachment 1: Proposed Statutory Amendments (redlined)