

CalSavers Retirement Savings Board
Status of Implementation of Strategic Plan 2018-2021 (as of 3/15/21)

Summary of Strategic Goals, Objectives, and Measures

- ✓ Complete or On-track
- PR Pending Review
- AR Adjustment Required

1) Program Infrastructure: Cultivate a dynamic, high-performing team that serves the participants and Board efficiently and effectively

- Objective 1A: Foster a strong and evolving dynamic between staff and the Board as the Board transitions from doing to governing
 - PR Board Member feedback in annual survey
 - PR Executive Director performance evaluation
- Objective 1B: Recruit and retain a diverse, dynamic, and experienced staff where each member exercises leadership in service of the mission
 - ✓ Trend of number of staff applicant sources within California government and external organizations
 - PR Trend of portion of employees reporting overall positive job satisfaction on survey feedback
 - ✓ Employee retention
- Objective 1C: Ensure staff and Board access and consider expert advice and analysis when necessary to best serve participants and uphold fiduciary duty
 - ✓ Engagement with leading consultants, advisors, and other experts

2) Launch and Rollout: Ensure a smooth launch and successful rollout

- Objective 2A: Finalize regulations that create a best in class state-run retirement savings program
 - ✓ Emergency and regular rulemaking processes complete
 - ✓ Public comment content
- Objective 2B: Operate a pilot that ensures the Program design at launch is easy for both participants and employers
 - ✓ Diversity of employers participating in pilot by location, size, and industries
 - ✓ Portion of pilot employers and employees giving positive survey feedback after pilot phase
 - ✓ Portion of pilot employers and participants willing to serve as spokespersons or be profiled
- Objective 2C: Ensure reasonable competitive fees at launch, with scheduled decreases as the program grows
 - ✓ Benchmark against peers as well as more mature publicly governed defined contribution plans and others as appropriate
- Objective 2D: Ensure high quality, accessible customer service for all participants
 - ✓ Average call center wait time
 - ✓ Customer satisfaction survey feedback

3) Participation: Maximize employer and employee participation

- Objective 3A: Ensure employer compliance with statutory requirements and regulations
 - ✓ Number of exempt employers voluntarily self-identified
 - ✓ Number of non-exempt employers registered
 - ✓ Number of registered employers facilitating any payroll deductions
- Objective 3B: Maximize participation instances and level of eligible employees
 - ✓ Opt-out rate
 - ✓ Average employee contribution rate of participating employees
- Objective 3C: Refine Program features throughout phased roll-out to be responsive to early adopter feedback
 - ✓ Rate of complaints or requests for system changes from both employers and participants

4) Program Financial Sustainability: Operate the Program self-sufficiently

- Objective 4A: Establish baseline operational budget and growth projections
 - ✓ Legislatively approved budgets
- Objective 4B: Eliminate reliance on start-up loan
 - ✓ New draws on start-up loan
 - AR Repay start-up loan
- Objective 4C: Reduce participant fees consistently throughout phased roll-out and achieve lowest possible fees at each stage of implementation
 - ✓ Fees for third party administration
 - ✓ Fees for investment management
 - ✓ Fees for state administration
 - ✓ Outreach & marketing expenditures—extent minimized by partnerships w/ external orgs & establishment of grants directly to partner orgs

5) Responsiveness: Continually adapt to changing opportunities and risks

- Objective 5A: Manage and mitigate financial, legal, political, and operational
 - ✓ Establishment of a separate risk management plan

CalSavers Retirement Savings Board

Status of Implementation of the Strategic Plan 2018-2021

As of March 15, 2021

The [strategic plan](#) is the framework around which the CalSavers Retirement Savings Board (“Board”) organized its work during the design, build, and launch of the CalSavers Retirement Savings Program (“CalSavers” or “Program”). The plan was the result of collaboration between the Board, executive staff, and consultants. It was adopted by the Board on June 25, 2018, for the three year period ending June 30, 2021.

Strategic Goals, Objectives, and Measures

Rooted in its mission and vision statements, the Board set five strategic goals encapsulating 14 objectives and 28 measures.

- 1) **Program Infrastructure:** Cultivate a dynamic, high-performing team that serves the participants and Board efficiently and effectively
- 2) **Launch and Rollout:** Ensure a smooth launch and successful rollout
- 3) **Participation:** Maximize employer and employee participation
- 4) **Program Financial Sustainability:** Operate the Program self-sufficiently
- 5) **Responsiveness:** Continually adapt to changing opportunities and risks

The status of each measure is reported in this document based on information available as of March 15, 2021.

1) Program Infrastructure: Cultivate a dynamic, high-performing team that serves the Board and participants efficiently and effectively

Objective 1A: Foster a strong and evolving dynamic between staff and the Board as the Board transitions from *doing* to *governing*

Measure: Board Member feedback in annual survey

Status: Pending review

Measure: Executive Director performance evaluation

Status: Pending review

Objective 1B: Recruit and retain a diverse, dynamic, and experienced staff where each member exercises leadership in service of the mission

Measure: Trend of number of staff applicant sources within California government and external organizations

Status:

Staff Recruitments Since June 2018				
Filing Date	Classification	Total Apps. Received	State Employees	External
10/2018	Staff Svcs. Manager I	28	20 (71%)	8 (29%)
12/2018	Staff Svcs. Manager II	<i>Did not hire; data unavailable</i>		
3/2019	Staff Svcs. Analyst	27	13 (48%)	14 (52%)
11/2019	Assoc. Govt. Program Analyst	30	15 (50%)	15 (50%)
11/2019	Staff Svcs. Analyst	50	19 (38%)	31 (62%)
	TOTAL	135	67 (50%)	68 (50%)

Measure: Trend of portion of employees reporting overall positive job satisfaction on survey feedback

Status: Pending review with Personnel

Measure: Employee retention

Status: 100% retention among eight-person full-time staff. One part-time retired annuitant departed for full retirement.

Objective 1C: Ensure staff and Board access and consider expert advice and analysis when necessary to best serve participants and uphold fiduciary duty.

Measure: Engagement with leading consultants, advisors, and other experts

Status: Ongoing engagement with investment consultant Meketa Investment Group, program consultant AKF Consulting, and legal advisor K & L Gates. In addition, senior staff engage frequently with preeminent national policy and industry experts through a variety of informal networks, events, and other channels.

2) Launch and Rollout: Ensure a smooth launch and successful rollout

Objective 2A: Finalize regulations that create a best in class state-run retirement savings program

Measure: Emergency and regular rulemaking processes complete

Status: Nine emergency and regular rulemaking processes were completed to launch and refine the program design. Ongoing rulemaking needs expected.

Measure: Public comment content

Status: Through formal and informal public comment periods, stakeholders and members of the public expressed a variety of feedback about proposed regulations, ranging from broad support to opposition on the basis of legal concerns. The few technical comments tended to focus on design features like preferred default contribution rates. The Board received 30 letters during formal comment periods, representing 67 different organizations.

Objective 2B: Operate a pilot that ensures the Program design at launch is easy for both participants and employers

Measure: Diversity of employers participating in pilot by location, size, and industries

Status:

- *Location:* 62 employers in rural, urban, and suburban communities from Chula Vista and San Diego to Eureka and Redding
- *Size of Employer:* the average number of employees: 60
 - > 100 employees: 5 employers
 - 51-100 employees: 8 employers
 - 5-50 employees: 49 employers
- *Industries represented:* restaurants/food service, manufacturing, non-profits, hotels, retail, facilities/janitorial, clinical research, architecture, science, education, personal services, trucking, veterinary services and animal care, construction, dentists and optometrists, and energy.

Measure: Portion of pilot employers and employees giving positive survey feedback after pilot phase

Status: In the course of frequent phone and in-person conversations, the vast majority of the 62 pilot employers gave positive feedback on their experience. They expressed appreciation for the ease of registration, the clarity of information and resources available for them and their employees, and the general ease of facilitating the program. Two pilot employers expressed negative overall feedback. Early observations and pilot employer feedback led to process flow improvements and adjustments to communications strategies.

Measure: Portion of pilot employers and participants willing to serve as spokespersons or be profiled

Status: Every employer that staff asked to serve as a spokesperson agreed to serve. To-date, 27 spokespeople have been featured in the Program’s print, video, and social media promotions, as well as in earned media stories.

Objective 2C: Ensure reasonable competitive fees at launch, with scheduled decreases as the program grows [See also Objective 4B]

Measure: Benchmark against peers as well as more mature publicly governed defined contribution plans and others as appropriate

Status: CalSavers Account Fees = 0.825% - 0.95%, depending on investment choice

Peer State-Facilitated Auto-IRA Programs

All-in fee for participation investing in target date funds:

	CalSavers	Oregon*	Illinois
State	0.05%	0.15%	0.05%
Program Administrator	0.75%	0.75%	0.61%
TDF Investment Manager	0.09%	0.09%	0.09%
All-in Fee	0.89%	0.99%	0.75% (capped in statute)

*OregonSaves announced it will transition to a new program administrator by the end of 2021; a new pricing structure will likely be implemented.

Mature Public Defined Contribution Plans

	Savings Plus ¹	CalSTRS Pension ²	CalPERS 457 ³	Natl. Public DC Plan Avg. ⁴
All-in Annual Fee	\$18 + 0.13%-0.24%	0.31-0.52%	0.32%	0.45%

Other Relevant Industry Benchmarks

- Average total plan cost of 401(k) plans with \$10 million to \$50 million in assets is 0.92%⁵
- For retail IRA pricing comparisons, see AKF Consulting *Select IRA Fee Structures* (Exhibit 1)

Objective 2D: Ensure high quality, accessible customer service for all participants

Measure: Average call center wait time

Status:

		Call Volume	Call Abandon Rate (Contract Standard: 2%)	Calls answered in 30 sec. (Contract Standard: 85%)	Avg. Speed to Answer - seconds (not a contract metric)
2018	November	41	0.00%	95.12%	12
	December	51	1.92%	84.62%	32
2019	January	103	0.00%	91.26%	16
	February	73	0.00%	100.00%	8
	March	103	0.00%	99.03%	9
	April	161	0.00%	96.89%	13
	May	242	1.22%	92.24%	22
	June	241	0.82%	88.07%	23
	July	590	1.01%	89.09%	20
	August	540	0.92%	86.71%	26
	September	609	0.16%	96.72%	12
	October	748	0.66%	93.63%	14
	November	618	0.32%	88.87%	19
	December	1,003	1.08%	85.50%	20

¹ Savings Plus Annual Fee Disclosure–

<https://www.savingsplusnow.com/iApp/tcm/savingsplusnow/learning/library/account-information.jsp>

² CalSTRS Pension2 403(b) and 457(b) Core Funds Estimated Total Fees as of June 30, 2019 –

https://www.calstrs.com/sites/main/files/file-attachments/p2_fee.pdf

³ CalPERS 457 “Lower Fees, More Value” – https://voyamarketingzone.dmplocal.com/sites/4187/cp457_lower-fees-more-value.html

⁴ 2018 NAGDCA (National Association of Government Defined Contribution Administrators) Perspectives in Practice Survey Report, Figure 30– <https://www.nagdca.org/download/nagdca-2018-perspectives-in-practice-survey-report/>

⁵ The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at 401(k) Plans, 2016 (June 2019), Exhibit 4.1 “Total Plan Cost by 401(k) Plan Assets”

2020	January	1634	0.97%	89.88%	19
	February	1,839	0.59%	88.97%	18
	March	2,418	0.49%	91.30%	17
	April	2,577	0.54%	92.51%	18
	May	4,757	1.39%	84.95%	29
	June	5,533	1.14%	88.89%	21
	July	5,094	1.37%	87.67%	25
	August	5,602	1.75%	86.55%	30
	September	11,097	1.64%	83.17%	32
	October	20,314	3.57%	76.00%	47
	November	23,433	15.10%	29.78%	175
	December	18,082	7.86%	57.29%	105
2021	January	14,755	1.40%	86.38%	30
	February	12,701	1.22%	87.26%	25

Measure: Customer satisfaction survey feedback

Status:

Customer Services Center Survey Data: See Program Administrator Ascensus' Client Insight Report (Exhibit 2)

CalSavers Webinar Feedback:

Of 1,193 individuals who responded to the question "How valuable was this informational webinar?" 96.5% said very or somewhat helpful.

Very	935	78.4%
Somewhat	216	18.1%
A little	41	3.4%
Not at all	1	0.1%
Total	1,193	100.0%

Sample of feedback from webinar attendees:

- ✓ *"I have to say that I am so impressed with CalSavers program and website. Your webinar was one of the best that I have attended. Very efficient and presented in an organized way. Very impressed."*
- ✓ *"This has been incredibly helpful. Thanks so much for the great organization and presentation."*
- ✓ *"Lots of good information. You guys did a great job. You are great presenters. I will listen again to soak it in."*
- ✓ *"It's really not very difficult to follow. You did an amazing job in explaining all during this webinar. Looking forward to blending with you."*

3) Participation: Maximize participation and savings rates

Objective 3A: Ensure employer compliance with statutory requirements and regulations

Measure: Number of exempt employers voluntarily self-identified

Status: 13,436 (as of 3/12/21)

Measure: Number of non-exempt employers registered

Status: 9,685 (as of 3/12/21)

Measure: Number of registered employers facilitating any payroll deductions

Status: 3,057 (as of 3/12/21)

Objective 3B: Maximize participation instances and level of eligible employees

Measure: Opt-out rate

Status: 29.22% (as of 3/12/21)

Measure: Average employee contribution rate of participating employees

Status: 5.11% (as of 3/12/21)

98% of participants accepted 1 percentage point automatic escalation in Jan. 2020

96% of participants accepted 1 percentage point automatic escalation in Jan. 2021

Objective 3C: Refine Program features throughout phased roll-out to be responsive to early adopter feedback

Measure: Rate of complaints or requests for system changes from both employers and participants

Status: Multiple features and processes were refined as a result of feedback from early adopters, including employer portal experience; content and delivery method of digital and paper communications; extension of the first employer registration deadline; and content of frequently asked questions.

4) Program Financial Sustainability: Operate the Program self-sufficiently

Objective 4A: Establish baseline operational budget and growth projections

Measure: Legislatively approved budgets

Status: Ongoing compliance

Objective 4B: Eliminate reliance on start-up loan

Measure: New draws on start-up loan

Status: No new draws to date, but additional loans needed beginning in fiscal year 2024-25 based on projections.

Measure: Repay start-up loan

Status: Governor’s proposed budget for fiscal year 2021-22 would delay repayment of the loans to June 30, 2024

Objective 4C: Reduce participant fees consistently throughout phased roll-out and achieve lowest possible fees at each stage of implementation [see 1B]

Measure: Fees for third party administration

Status: Fee Breakpoint Schedule for Program Administrator (Ascensus):

Asset Level	Total Annual Fee
\$0 - \$5 Billion	0.75%
\$5 Billion - \$10 Billion	0.60%
\$10 Billion - \$15 Billion	0.45%
\$15 Billion - \$20 Billion	0.35%
\$20 Billion - \$25 Billion	0.25%
\$25 Billion - \$30 Billion	0.23%
\$30 Billion - \$35 Billion	0.18%
Greater than \$35 Billion	0.15%

Measure: Fees for investment management

Status: Fees for each option provided by State Street Global Advisors and Newton Investment Management (Sustainable Balanced Fund):

Investment Option	Fee
Target Date Funds	0.09%
Money Market Fund	0.12%
Global Equity Fund (Blend)	Approx. 0.0425%
Core Bond Fund	0.025%
Sustainable Balanced Fund	0.15%

Measure: Fees for state administration

Status: 0.05% (set by Board)

Measure: Outreach and marketing expenditures—extent minimized by partnerships with external organizations and establishment of philanthropic grants directly to partner organizations

Status: Several non-profit organizations raised initial funding to support grassroots field and media work to promote CalSavers, working in consultation with CalSavers staff. The majority of collaborative work continues, despite the cessation of some grant funding.

5) Responsiveness: Continually adapt to changing opportunities and risks

Objective 5A: Manage and mitigate financial, legal, political, and operational risks

Measure: Establishment of a separate risk management plan

Status: Risk monitoring template developed and used to summarize risk areas and status quarterly.



Select IRA Fee Structures
Compiled as of March 12, 2021

Institution	Annual Fee	Termination/ Transfer Fee	Minimum Contribution	Other Fees	Fee Waiver	Fund Name Share Class Ticker	Index or Active	Net Expense Ratio	
CalSavers	0.05% State Fee 0.75% Program Administration Fee	None	1% of employee compensation	None	None	Target Retirement 2055 Fund K Share Class SSDQX	Index	0.09%	
Mutual Fund Companies	American Funds	\$10	None	Initial: \$250 (\$25 for payroll deduction) Subsequent: \$50 (\$25 for payroll deduction)	Initiation/Setup Fee: \$10	None	2055 Target Retirement Fund A Share Class AAMTX	Active	0.73% ²
	Charles Schwab	None	Partial Transfer: \$25 Full Transfer: \$50	\$0	None	None	Target 2055 Index Fund Single Share Class SWYJX	Index	0.08%
	Fidelity	None	None	None	None	None	Freedom Index 2055 Fund Investor Share Class FDEWX	Index	0.12%
	T. Rowe Price	\$20	\$20	\$1,000 Minimum subsequent contributions are \$100	None	Fees may be waived for investors with more than \$10,000 in one mutual fund or if e-delivery is selected	Retirement 2055 Fund Investor Share Class TRRNX	Active	0.71%
	Vanguard	\$20	None	\$1,000	None	Annual fee waived if e- delivery is selected or if the balance is more than \$10,000 per paper delivery	Target Retirement 2055 Fund Investor Share Class VFFVX	Index	0.15%
Banks	Bank of America IRA						Minimum contributions and fees will vary based upon investment selection		
	Bank of America	None	None	Money Market: \$100 Variable Rate CD: \$100 Featured CD: \$1,000 Standard Term CD: \$2,000	Fee may be imposed if there is early withdrawal	None			
		Merrill Edge IRA							
		None	Partial Transfer: \$0 Full Transfer: \$0	None	None	None			
Citi	Roth/Traditional IRA with CD/Money Market								
	None	\$75	\$250 for CDs None for Money Market	Fee may be imposed if there is early withdrawal from CD option	None				
Brokerage Firms	J.P. Morgan Securities (Chase)¹ You Invest Trade	None	\$75	\$0	None	None			
	Morgan Stanley	Standard Fee: \$100 (\$70 for Morgan Stanley Virtual Advisor) E-delivery Fee: \$75 (\$50 for Morgan Stanley Virtual Advisor)	\$125	None	None	Certain IRAs (Traditional, Rollover, Inherited, or Roth) are subject to Low Balance Household Fee: \$50 per quarter for households with less than \$25,000 (excludes Morgan Stanley Virtual Advisor clients)			

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¹ New deposit IRAs are no longer available at Chase branches. IRAs must be opened through J.P. Morgan Securities.

² Includes 0.25% annual distribution fee associated with A Shares

Client Insight Report

2021 YTD Aggregate Results

Inbound Volumes

Total Calls Handled	27,456
Employer	5,654
Employer (SP)	442
Saver	10,367
Saver (SP)	10,993

Total Emails Handled	4,830
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Call Metrics

Service Level	87%
Abandon Rate	1.31%
Average Speed to Answer	0:27
Average Handle Time	7:53

ECHO Survey Results

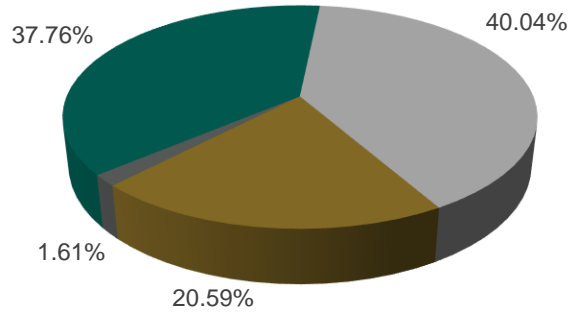
Total Surveys Answered	1,306
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Saver	354
Saver (SP)	726
Employer	204
Employer (SP)	22



Survey Response Rate*: 4.7%
*1,306 Total Respondents to after-call survey

Call Volume Breakdown



■ Employer ■ Employer (SP) ■ Saver ■ Saver (SP)

Top 3 Inbound Call Trends:

Employer:

- Plan facilitation inquiries
- Registration assistance
- Payroll submission inquiry

Saver:

- Participation inquiries
- Processing distributions
- Account maintenance requests

Lionbridge Results

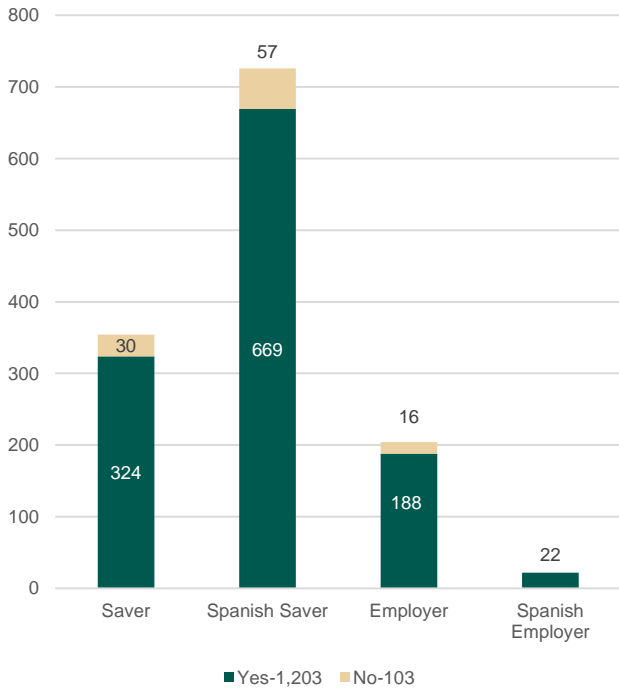
Total Outcalls	2,218
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Spanish	2,106
Vietnamese	26
Mandarin	13
Cantonese	13
Korean	8
Other	52

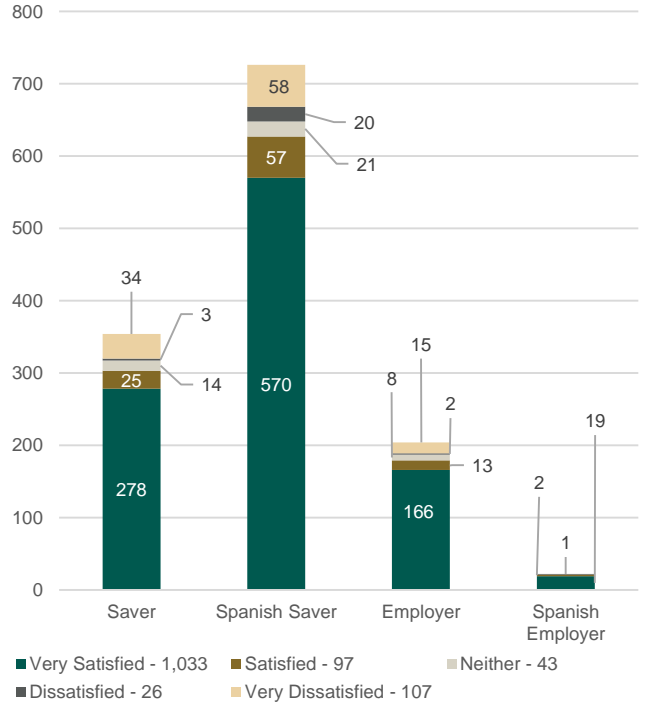
Client Insight Report

2021 YTD Aggregate Results

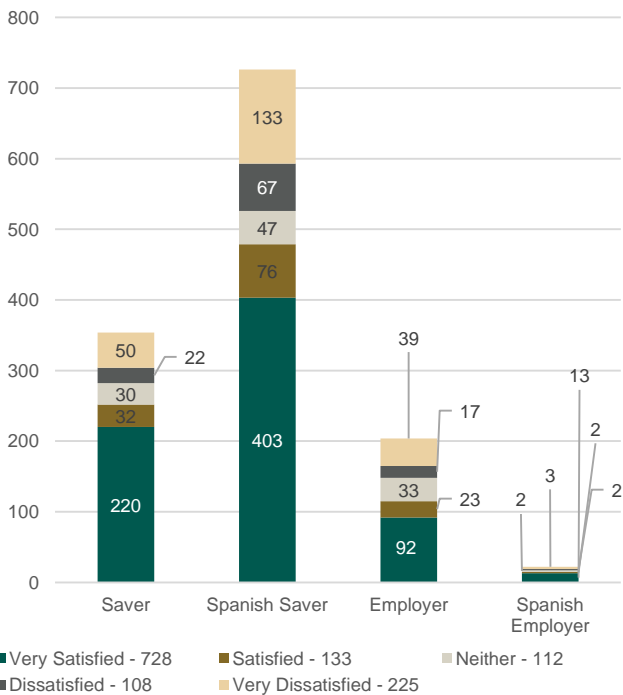
Was your question resolved?



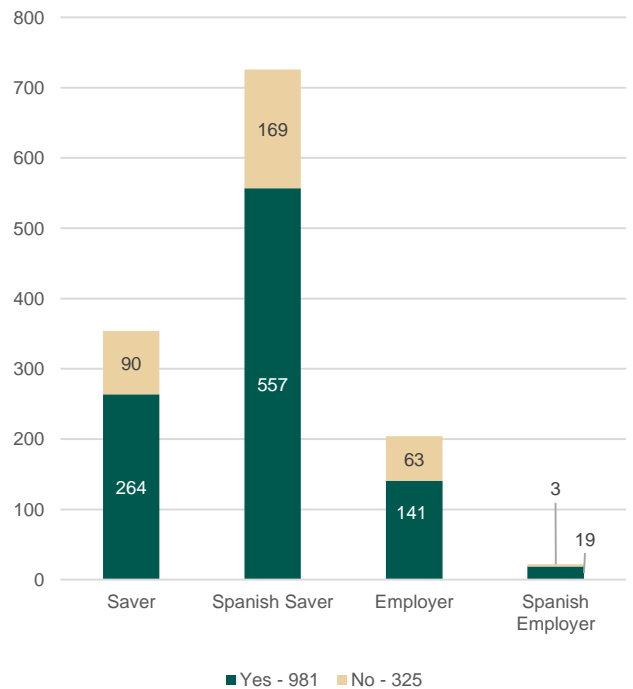
How Satisfied are you with the service?



How satisfied are you with CalSavers?



Would you recommend CalSavers?



Client Insight Report

2020 YTD Aggregate Results

Inbound Volumes

Total Calls Handled	102,380
Employer	16,511
Employer (SP)	1,490
Saver	39,131
Saver (SP)	45,248

Total Emails Handled	13,615
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Call Metrics

Service Level	65%
Abandon Rate	6.40%
Average Speed to Answer	1:18
Average Handle Time	6:48

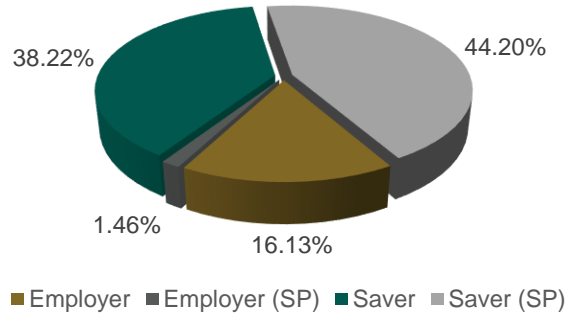
ECHO Survey Results

Total Surveys Answered	4,687
Saver	1,250
Saver (SP)	2,794
Employer	570
Employer (SP)	73



Survey Response Rate*: 4.6%
*4,687 Total Respondents to after-call survey

Call Volume Breakdown



Top 3 Inbound Call Trends:

Employer:

- Plan facilitation inquiries
- Registration assistance
- Saver participation inquiries

Saver:

- Participation inquiries
- Processing distributions
- Account maintenance request

Lionbridge Results

Total Outcalls	9,880
Spanish	9,336
Vietnamese	314
Mandarin	75
Cantonese	42
Korean	27
Other	86

Client Insight Report

2020 YTD Aggregate Results

