
DECEMBER 13, 2021

AGENDA ITEM 2
INFORMATION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Executive Director's Report

Tentative 2022 Board Meeting Schedule

The tentative schedule of 2022 Board meetings is provided below. Additional meetings may be scheduled as needed. Meetings will begin at 1pm.

January date to be determined
Monday, February 28
Tuesday, May 24
Monday, August 22
Monday, November 21

Review of Program Participation and Funding

- In calendar year 2021 (as of early December):
 - Saver assets **grew five-fold**, from \$28 million to more than \$155 million
 - The number savers more than **doubled** from 96,000 to 210,000
 - The number of registered employers **tripled**, from 7,300 employers to 22,000.
- Summary of Program Participation and Funding, November 30, 2021 (Attachment 2A)

Update on Employer Compliance Enforcement

- Staff began to distribute due process notices for non-compliant Wave 1 employers (employers with more than 100 employees) in early September. The status of these employers by type of compliance failure is as follows:

Penalty Type	Employer Count at 1 st Due Process Notice (9/2/21)	Employer Count as of 12/3/21	Change
Missed Registration Deadline	1,021	470	-551
Failure to Upload Roster	156	119	-37
Failure to Remit Payroll	259	265	+6
Total	1,436	854	-582

- Penalty imposition letters for Wave 1 employers distributed by the Franchise Tax Board commencing in January 2022.
- Enforcement notices for Wave 2 employers will begin in June 2022.

Staffing

- Pending recruitments for three analyst positions for administrative operations (2) and outreach/education (1).

Budget

- As of June 30, 2021, the most recent available reporting, the program spent \$1,972,365 in loan funding in fiscal year 2020-21 and a total of \$6.7 million since inception in November 2016. (Detailed budget summary in Attachment 2B)

Audits

- Administrative Fund FY 20-21: Fieldwork underway (Gilbert CPAs)
- Program Fund Audit FY 20-21: Fieldwork underway (CliftonLarsonAllen LLC)

Risk Monitoring

- Quarterly risk heat map (Attachment 2C)

Contracts Executed Under Delegated Authority and Upcoming Contracts/Renewals

- Likely search for new investment manager for the ESG (environmental, social, and governance factors) option for Board approval in January 2022.

In Home Support Services (IHSS) Provider Inclusion Update

- Ongoing research and analysis prescribed in Government Code Section 100046(a):
 1. The inclusion meets all state and federal legal requirements.
 2. The appropriate employer of record has been identified for the purpose of satisfying all the program's employer requirements.
 3. The payroll deduction can be implemented at reasonable costs.
 4. The inclusion does not create a financial liability for the state or employer of record.
- Engagement with labor union leaders, Department of Finance, Department of Social Services

Legislation and Policy Update

California Legislation

- Possible 2022 legislative amendments are under consideration.

CalSavers Regulations

- **Regular Rulemaking:** Staff began the regular rulemaking process in March 2021 to make permanent three sets of emergency regulations amendments. Since the start of the summer, staff have been working with the Department of Finance to refine the economic and fiscal impact analysis for the regulations package. Staff submitted the rulemaking package December 1, 2021.
- **Readoption of Existing Emergency Regulations:** At the previous Board meeting, the Board approved the readoption of emergency regulations amendments initially approved at the December 7, 2020 meeting that, among other things, changed the default investment option. The readoption was approved by the Office of Administrative Law November 17, 2021.

Federal Rulemaking & Legislation

- **U.S. Department of Labor on the Inclusion of ESG (environmental, social, and governance factors) in ERISA Plans:** The U.S. Department of Labor began a rulemaking effort in October 2021 regarding prudence and loyalty in selecting plan investments. The rulemaking is in response to regulations adopted during the Trump Administration that many interpreted to limit the use of ESG investment options in ERISA plans. The rule would clarify how ERISA’s fiduciary duties apply to ESG investments. Currently, the DOL is accepting public comments on the rulemaking. The comment period closes December 13, 2021.
- **The House Ways and Means Committee approved addition of legislation to the Build Back Better Act in early September that would have a) established a requirement that employers sponsor a retirement plan or provide their employees access to an individual retirement account (IRA) with automatic enrollment; and b) made the savers credit refundable. Those provisions were later removed from the act. On November 19, 2021 the House passed a version of the Build Back Better Act. The act includes some provisions addressing the use of IRAs as tax shelters for the wealthy.**
- **Staff continue to monitor other federal retirement legislation, including Securing a Strong Retirement Act “SECURE Act 2.0,” Enhancing Emergency and Retirement Security Act, the RISE UP Act and other legislation relevant to the Program.**

External Presentations

A summary of external presentations provided since the last Board report and upcoming external presentations is included below.

	Date	Organization	Event	Location	Audience
1.	9/14/21	San Pedro Chamber of Commerce	CalSavers Retirement Savings Program	Webinar	Employers
2.	9/14/21	CalSavers	Employee Educational Webinar	Webinar	Employees
3.	9/15/21	Norwalk Chamber Board Meeting	CalSavers Presentation for Chamber Board	Webinar	Employers
4.	9/15/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
5.	9/16/21	CalSavers	Employer Educational Webinar	Webinar	Employers

	Date	Organization	Event	Location	Audience
6.	9/17/21	CalSavers	Employer Educational Webinar	Webinar	Employers
7.	9/21/21	CalSavers	Employer Educational Webinar	Webinar	Employers
8.	9/22/21	CalSavers	Employer Educational Webinar	Webinar	Employers
9.	9/23/21	CalSavers	Employee Educational Webinar	Webinar	Employees
10.	9/23/21	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
11.	9/24/21	CalSavers	Employer Educational Webinar	Webinar	Employers
12.	9/27/21	CalSavers	Employer Educational Webinar	Webinar	Employers
13.	9/28/21	CalSavers	Employee Educational Webinar	Webinar	Employees
14.	9/28/21	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
15.	9/29/21	Ventura County Community Development Corporation (VCCDC)	Post Purchase Workshop: Saving for Retirement w/ CalSavers (Spanish)	Webinar	Community
16.	9/29/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
17.	9/30/21	CalSavers	Employer Educational Webinar	Webinar	Employers
18.	10/1/21	CalSavers	Employer Educational Webinar	Webinar	Employers
19.	10/4/21	Filipino American Chamber of Commerce of Greater LA	CalSavers Retirement Savings Program	Webinar	Employers
20.	10/5/21	CalSavers	Employer Educational Webinar	Webinar	Employers
21.	10/6/21	Young Invincibles	Saving for Retirement with CalSavers	Webinar	Community
22.	10/6/21	CalSavers	Employer Educational Webinar	Webinar	Employers
23.	10/7/21	CalSavers	Employee Educational Webinar	Webinar	Employees
24.	10/8/21	CalSavers	Employer Educational Webinar	Webinar	Employers
25.	10/11/21	Small Business Majority	California Comeback	Webinar	Employers
26.	10/11/21	CalSavers	Employer Educational Webinar	Webinar	Employers
27.	10/12/21	CalSavers	Employee Educational Webinar	Webinar	Employees
28.	10/13/21	Solano County Black Chamber of Commerce	Annual Meeting	Webinar	Employers
29.	10/13/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
30.	10/14/21	CalSavers	Employer Educational Webinar	Webinar	Employers
31.	10/15/21	CalSavers	Employer Educational Webinar	Webinar	Employers
32.	10/19/21	Barstow Area Chamber of Commerce	CalSavers Retirement Savings Program	Webinar	Employers
33.	10/19/21	CalSavers	Employer Educational Webinar	Webinar	Employers
34.	10/20/21	CalSavers	Employer Educational Webinar	Webinar	Employers
35.	10/21/21	CalSavers	Employee Educational Webinar	Webinar	Employees
36.	10/21/21	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
37.	10/22/21	CalSavers	Employer Educational Webinar	Webinar	Employers
38.	10/25/21	CalSavers	Employer Educational Webinar	Webinar	Employers
39.	10/26/21	CalSavers	Employee Educational Webinar	Webinar	Employees
40.	10/26/21	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
41.	10/27/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
42.	10/28/21	CalSavers	Employer Educational Webinar	Webinar	Employers
43.	10/29/21	CalSavers	Employer Educational Webinar	Webinar	Employers
44.	11/1/21	Small Business Majority	Let's Talk About Long Term Financing: CalSavers Brief	Webinar	Employers

	Date	Organization	Event	Location	Audience
45.	11/2/21	Fresno County Farm Bureau	Farm Bureau Growth & Recovery Workshop	Webinar	Employers
46.	11/2/21	CalSavers	Employer Educational Webinar	Webinar	Employers
47.	11/3/21	CalSavers	Employer Educational Webinar	Webinar	Employers
48.	11/4/21	CalSavers	Employee Educational Webinar	Webinar	Employees
49.	11/5/21	CalSavers	Employer Educational Webinar	Webinar	Employers
50.	11/8/21	Office of Assemblywoman Dr. Weber	Small Business Webinar	Webinar	Employers
51.	11/8/21	CalSavers	Employer Educational Webinar	Webinar	Employers
52.	11/9/21	CalSavers	Employee Educational Webinar	Webinar	Employees
53.	11/10/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
54.	11/11/21	CalSavers	Employer Educational Webinar	Webinar	Employers
55.	11/12/21	CalSavers	Employer Educational Webinar	Webinar	Employers
56.	11/16/21	CalSavers	CalSavers Statewide Stakeholder Group Meeting	Webinar	Stakeholders
57.	11/16/21	Sierra Small Business Development Community	Accessing State Savings Programs & Financing: CalSavers Brief	Webinar	Employers
58.	11/16/21	CalSavers	Employer Educational Webinar	Webinar	Employers
59.	11/17/21	CalSavers	Employer Educational Webinar	Webinar	Employers
60.	11/18/21	CalSavers	Employee Educational Webinar	Webinar	Employees
61.	11/18/21	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
62.	11/19/21	CalSavers	Employer Educational Webinar	Webinar	Employers
63.	11/22/21	CalSavers	Employer Educational Webinar	Webinar	Employers
64.	11/23/21	CalSavers	Employee Educational Webinar	Webinar	Employees
65.	11/23/21	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
66.	11/24/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
67.	11/30/21	CalSavers	Employer Educational Webinar	Webinar	Employers
68.	12/1/21	North Coast Employer Advisory Council	Employer Educational Webinar	Webinar	Employers
69.	12/1/21	CalSavers	Employer Educational Webinar	Webinar	Employers
70.	12/2/21	CalSavers	Employee Educational Webinar	Webinar	Employees
71.	12/3/21	CalSavers	Employer Educational Webinar	Webinar	Employers
72.	12/6/21	CalSavers	Employer Educational Webinar	Webinar	Employers
73.	12/7/21	CalSavers	Employee Educational Webinar	Webinar	Employees
74.	12/8/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
75.	12/9/21	United Way of Northern California	Financial Stability Train the Trainer	Webinar	Community
76.	12/9/21	CalSavers	Employer Educational Webinar	Webinar	Employers
77.	12/10/21	CalSavers	Employer Educational Webinar	Webinar	Employers
78.	12/13/21	CalSavers	Employer Educational Webinar	Webinar	Employers

Upcoming External Presentations

	Date	Organization	Event	Location	Audience
1.	12/14/21	CalSavers	Employer Educational Webinar	Webinar	Employers
2.	12/14/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers

	Date	Organization	Event	Location	Audience
3.	12/15/21	Los Angeles Area Chamber of Commerce	Small Business Strong December	Webinar	Employers
4.	12/15/21	CalSavers	Employer Educational Webinar	Webinar	Employers
5.	12/16/21	CalSavers	Employee Educational Webinar	Webinar	Employees
6.	12/16/21	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
7.	12/17/21	CalSavers	Employer Educational Webinar	Webinar	Employers
8.	1/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
9.	1/4/22	CalSavers	Employee Educational Webinar	Webinar	Employers
10.	1/5/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
11.	1/6/22	CalSavers	Employer Educational Webinar	Webinar	Employers
12.	1/7/22	CalSavers	Employer Educational Webinar	Webinar	Employers
13.	1/10/22	CalSavers	Employer Educational Webinar	Webinar	Employers
14.	1/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
15.	1/11/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
16.	1/12/22	CalSavers	Employer Educational Webinar	Webinar	Employers
17.	1/13/22	CalSavers	Employee Educational Webinar	Webinar	Employees
18.	1/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
19.	1/17/22	CalSavers	Employer Educational Webinar	Webinar	Employers
20.	1/18/22	CalSavers	Employee Educational Webinar	Webinar	Employees
21.	1/19/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
22.	1/20/22	CalSavers	Employer Educational Webinar	Webinar	Employers
23.	1/20/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
24.	1/21/22	CalSavers	Employer Educational Webinar	Webinar	Employers
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28.	1/25/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
29.	1/26/22	CalSavers	Employer Educational Webinar	Webinar	Employers
30.	1/27/22	CalSavers	Employee Educational Webinar	Webinar	Employees
31.	1/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers
32.	1/31/22	CalSavers	Employer Educational Webinar	Webinar	Employers
33.	2/1/22	CalSavers	Employee Educational Webinar	Webinar	Employees
34.	2/2/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
35.	2/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
36.	2/4/22	CalSavers	Employer Educational Webinar	Webinar	Employers
37.	2/7/22	CalSavers	Employer Educational Webinar	Webinar	Employers
38.	2/8/22	CalSavers	Employer Educational Webinar	Webinar	Employers
39.	2/8/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
40.	2/9/22	CalSavers	Employer Educational Webinar	Webinar	Employers
41.	2/10/22	CalSavers	Employee Educational Webinar	Webinar	Employees
42.	2/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
43.	2/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
44.	Feb.	Georgetown University Center for Retirement Initiatives	Annual States Conference	Panel	Policy/Industry

	Date	Organization	Event	Location	Audience
45.	2/14/22	National Association of State Treasurers	Annual Legislative Conference, session on State-Sponsored Retirement Programs	Wash, D.C.	Policy
46.	2/15/22	CalSavers	Employer Educational Webinar	Webinar	Employers
47.	2/15/22	CalSavers	Employee Educational Webinar	Webinar	Employees
48.	2/16/22	CalSavers	Employer Educational Webinar	Webinar	Employers
49.	2/17/22	CalSavers	Employer Educational Webinar	Webinar	Employers
50.	2/18/22	CalSavers	Employer Educational Webinar	Webinar	Employers
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56.	2/24/22	CalSavers	Employee Educational Webinar	Webinar	Employees
57.	2/25/22	CalSavers	Employer Educational Webinar	Webinar	Employers
58.	2/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers

Earned Media

Media coverage, including articles, television and radio segments, and podcasts published since the previous Board report, is summarized below.

	Date	Publication	Headline/Link
1	8/26/2021	Harvard Kennedy School Magazine	Katie Selenski MPP 2007 is helping struggling Californians save for retirement
2	9/1/2021	Brookings Institution	Small Retirement Accounts: Issues and Options
3	9/20/2021	JD Supra	House Budget Reconciliation Text Includes Significant Health, Paid Leave, and Retirement Provisions
4	9/20/2021	AARP	Looking Ahead: ERISA and Employee Benefits
5	9/22/2021	CPA Practice Advisor	Is California's CalSavers Program a Bad Deal for Retirement?
6	9/24/2021	California Business Journal	Sweetening Benefit Packages To Attract And Retain Talent
7	10/6/2021	401k Specialist	What Mandatory Auto-Enrollment IRAs Actually Mean
8	10/18/2021	Bloomberg Law	End California Auto-Retirement Program, Tax Group Tells SCOTUS
9	10/19/2021	Investment News	CalSavers lawsuit floated to Supreme Court
10	10/20/2021	NAPA Net	SCOTUS Pressed to Review CalSavers Legality
11	10/20/2021	PlanSponsor	Plaintiffs Ask Supreme Court to Take Up Case Against CalSavers
12	10/20/2021	LA Focus Newspaper	Coming Soon to Cali: A “Zero-Fee” Public Banking Option
13	10/21/2021	Pensions & Investments	Taxpayer group wants Supreme Court to halt CalSavers program
14	10/21/2021	Law360	NY Gov. Signs Law Mandating State Auto-IRA Program
15	10/28/2021	NAPA Net	CalSavers Seeks to Readopt Amended Rules on Default Investments, Contributions
16	11/3/2021	California Dental Association	CalSavers enrollment required by June 2022 for employers without a retirement plan
17	11/3/2021	Law360	High Court Wants More Input On Calif. Auto-IRA Battle
18	11/3/2021	Bloomberg Law	Supreme Court Eyes California Auto-Retirement Program Challenge
19	11/4/2021	NAPA Net	SCOTUS Considering CalSavers Challenge?
20	11/5/2021	ASPPA Net	CalSavers October Results not Spooky

21	11/9/2021	The Signal	CalSavers Program is No Major Burden
22	11/9/2021	Pew Charitable Trusts	Nontraditional Workers Face Multiple Barriers to Saving for Retirement
23	11/17/2021	California Dental Association	Dentists: Are you in compliance with current regulations and aware of upcoming deadlines?
24	11/17/2021	CalMatters	Here's how California's Auto-IRA program can be even more successful
25	11/18/2021	CalMatters	Employees should analyze the costs of Auto-IRA program
26	11/19/2021	InvestmentNews	Public opinion favors state auto IRAs, report finds

Attachments

- Attachment 2A: Summary of Program Participation & Funding as of November 30, 2021
- Attachment 2B: Summary of Monthly Budget Report through June 30, 2021
- Attachment 2C: Quarterly Risk Heat Map