
FEBRUARY 28, 2022

AGENDA ITEM 2
INFORMATION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Executive Director's Report

Review of Program Participation and Funding

See Summary of Program Participation and Funding as of January 31, 2022 (Attachment 2A)

Update on Employer Compliance Enforcement

Wave 1 Employers (more than 100 employees; registration deadline September 30, 2020):

- In early September 2021, following dozens of mail and email notices sent by program administrator Ascensus over the last two and a half years, staff began to directly distribute statutorily required due process notices for non-compliant Wave 1 employers. Three due process notices are required at least 90, 60, and 30 days prior to penalty imposition.
- Concurrently, staff undertook an aggressive campaign to reach these employers directly by phone and email, as well as conduct research to identify exempt employers via other documentable information. This staff outreach and research work proved to be effective and remains ongoing.
- In January, staff began transferring employer lists to the Franchise Tax Board (FTB) for penalty imposition. The status of these employers by type of compliance failure is as follows:

**Non-compliant Employers, Wave 1 (>100 employees, registration deadline 9/30/20)
As of 2/17/22**

Non-compliance Type	Count at 1 st Due Process Notice (9/2/21)	Current Count	Total Transferred to FTB, Penalties Imposed	Resolved by CalSavers Engagement Following FTB Notice	Appeals Received by FTB	Penalties Collected
1: Failure to Register	1,021	416	192	57	0	0
2: Failure to Upload Roster	156	152	33	5	0	0
3: Failure to Facilitate Payroll Deductions	259	190	109	0	0	0
Total	1,436	758	334	62	0	0

Wave 2 Employers (more than 50 employees; registration deadline June 30, 2021):

- By the end of February 2022, staff will commence targeted research and outreach (as described above for Wave 1) for non-compliant Wave 2 employers.
- In April 2022, staff will begin sending statutorily required due process notices for Wave 2 employers.
- Staff plan to transfer Wave 2 employer lists to FTB in September 2022.

Staffing

- Results of recent recruitments:
 - Sandy Guan, Staff Services Analyst, Outreach and Education
 - Eric Lei, Staff Services Analyst, Data
 - One remaining vacancy
- Staffing and organizational chart review underway

Budget

- As of December 31, 2021, the most recent available reporting, the program had spent \$501,990 in loan funding in fiscal year 2021-22 and a total of \$7.5 million since inception in November 2016. (Detailed budget summary in Attachment 2B)
- Status of Budget Change Proposal (BCP): the requested \$6 million additional loan authority available for drawdown until June 30, 2024 and three new positions were included in the Governor's proposed budget and the Senate and Assembly budget bills introduced in January.

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

- **ESG Investment Manager search:** RFP CRSB01-22, for a new investment manager for the ESG (environmental, social, and governance factors) option, was posted on February 18. Proposals are due on March 25.
- **Translation Services extension:** Processing an amendment to Agreement CSCRSIB06-19 with Interpreters Unlimited for translation and design services, to add one year to the term of the contract, which would expire on April 22, 2022. Current expenditures total \$24,135, or 24 percent of the maximum agreement amount of \$100,000.

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 unions, Department of Finance, Department of Social Services

Legislation and Policy Update

California Legislation

- Discussion of Senate Bill 1126, which would expand program eligibility, will be covered later in agenda.
- Senate Bill 840 and Assembly Bill 1624 introduced January 10, 2022. Each bill includes a \$6 million appropriation for the CalSavers Retirement Savings Board and provides the Department of Finance authority to approve establishment of up to three staff positions to support the Program. At the time this item was written, each bill had been introduced and referred to the budget committee in their respective house.

CalSavers Regulations

- Regular Rulemaking: The Board's regular rulemaking package, which made permanent three separate emergency rulemakings, was approved by the Office of Administrative Law January 13, 2022.
- Emergency Rulemaking: At the December 13, 2021 meeting, the Board approved emergency regulations amendments to adjust sections related to employer registration deadlines. Staff plan to begin the rulemaking March 1, 2022 and expect the regulations to take effect in mid-March 2022. Staff are currently developing the economic and fiscal impact analysis for the regulations.

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. The public comment period closed December 13, 2021. At the time this item was written, a final rule had not yet been introduced.
- 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 and retirement security in general.

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.	12/14/21	CalSavers	Employer Educational Webinar	Webinar	Employers
2.	12/14/21	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
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.	12/17/21	CalSavers	Employer Educational Webinar	Webinar	Employers
7.	12/21/21	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
8.	12/23/21	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
9.	1/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
10.	1/4/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
11.	1/4/22	CalSavers	Employee Educational Webinar	Webinar	Employers
12.	1/5/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
13.	1/6/22	CalSavers	Employer Educational Webinar	Webinar	Employers
14.	1/6/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
15.	1/7/22	CalSavers	Employer Educational Webinar	Webinar	Employers
16.	1/10/22	CalSavers	Employer Educational Webinar	Webinar	Employers
17.	1/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
18.	1/11/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
19.	1/12/22	CalSavers	Employer Educational Webinar	Webinar	Employers
20.	1/13/22	CalSavers	Employee Educational Webinar	Webinar	Employees
21.	1/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
22.	1/18/22	CalSavers	Employee Educational Webinar	Webinar	Employees
23.	1/19/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
24.	1/20/22	CalSavers	Employer Educational Webinar	Webinar	Employers
25.	1/20/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
26.	1/21/22	CalSavers	Employer Educational Webinar	Webinar	Employers
27.	1/25/22	CalSavers	Employer Educational Webinar	Webinar	Employers
28.	1/25/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
29.	1/25/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
30.	1/26/22	Pew Research Center	Pew Model Retirement Summit	Virtual	Policy
31.	1/26/22	CalSavers	Employer Educational Webinar	Webinar	Employers
32.	1/27/22	CalSavers	Employee Educational Webinar	Webinar	Employees
33.	1/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers
34.	1/31/22	CalSavers	Employer Educational Webinar	Webinar	Employers
35.	2/1/22	CalSavers	Employee Educational Webinar	Webinar	Employees

	Date	Organization	Event	Location	Audience
36.	2/1/22	Antelope Valley Hispanic Chamber of Commerce (Cancelled)	Introduction to CalSavers	Palmdale ,CA	Employers
37.	2/2/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
38.	2/2/22	VICA Labor & Employment Committee Meeting Presentation	CalSavers & the State's Retirement Mandate	Webinar	Employers
39.	2/2/22	Farm Employer Labor Service/CA Farm Bureau Federation	CalSavers Sign-Up Deadline Coming Soon: Are You Ready?	Webinar	Employers
40.	2/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
41.	2/4/22	CalSavers	Employer Educational Webinar	Webinar	Employers
42.	2/7/22	CalSavers	Employer Educational Webinar	Webinar	Employers
43.	2/8/22	CalSavers	Employer Educational Webinar	Webinar	Employers
44.	2/8/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
45.	2/9/22	CalSavers	Employer Educational Webinar	Webinar	Employers
46.	2/10/22	CalSavers	Employee Educational Webinar	Webinar	Employees
47.	2/10/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
48.	2/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
49.	2/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
50.	2/14/22	Farm Employer Labor Service & Merced County Farm Bureau	New Ag Employment Requirements for 2022	Webinar	Employers
51.	2/14/22	National Association of State Treasurers	Annual Legislative Conference, sessions on State-Sponsored Retirement Programs	Wash, D.C.	Policy
52.	2/15/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
53.	2/15/22	CalSavers	Employee Educational Webinar	Webinar	Employees
54.	2/16/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
55.	2/17/22	CalSavers	Employer Educational Webinar	Webinar	Employers
56.	2/17/22	Georgetown University Center for Retirement Initiatives	Webinar Panel on State-Sponsored Retirement Programs	Panel	Policy/Industry
57.	2/18/22	CalSavers	Employer Educational Webinar	Webinar	Employers
58.	2/22/22	Santa Monica Chamber of Commerce, CalNonprofits w/ Treasurer Fiona Ma	CalSavers & Nonprofits Webinar with California State Treasurer Fiona Ma and CalNonprofits	Webinar	Employers
59.	2/22/22	CalSavers	Employer Educational Webinar	Webinar	Employers
60.	2/22/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employers
61.	2/23/22	CalSavers	Employer Educational Webinar	Webinar	Employers
62.	2/24/22	Central CA Small Business Development Center	Regional Professional Development "virtual" Mini-Conference	Webinar	Employers
63.	2/24/22	CalSavers	Employee Educational Webinar	Webinar	Employers
64.	2/24/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employees
65.	2/25/22	CalSavers	Employer Educational Webinar	Webinar	Employers
66.	2/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers

Upcoming External Presentations

	Date	Organization	Event	Location	Audience
1.	3/1/22	CalSavers	Employee Educational Webinar	Webinar	Employees
2.	3/2/22	Western United Dairies	Introduction to CalSavers	Webinar	Employers
3.	3/2/22	CA Hispanic Chambers of Commerce	Briefing for Local Hispanic Chamber Leaders	Webinar	Industry
4.	3/2/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
5.	3/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
6.	3/4/22	Conexiones Educativas	Introducción a CalSavers para trabajadores de IHSS	TBD	Employees
7.	3/4/22	CalSavers	Employer Educational Webinar	Webinar	Employers
8.	3/7/22	CalSavers	Employer Educational Webinar	Webinar	Employers
9.	3/8/22	CalSavers	Employer Educational Webinar	Webinar	Employers
10.	3/8/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
11.	3/9/22	CalSavers	Employer Educational Webinar	Webinar	Employers
12.	3/10/22	CalSavers	Employee Educational Webinar	Webinar	Employees
13.	3/10/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
14.	3/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
15.	3/14/22	National Association of State Treasurers	Annual Legislative Conference, session on State-Sponsored Retirement Programs	Wash, D.C.	Policy
16.	3/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
17.	3/15/22	Georgetown University Center for Retirement Initiatives	Annual States Conference	Panel	Policy/Industry
18.	3/15/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
19.	3/15/22	CalSavers	Employee Educational Webinar	Webinar	Employees
20.	3/15/22	Sacramento Employer Advisory Council (EAC)	Introduction to CalSavers	Webinar	Employers
21.	3/16/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
22.	3/17/22	CalSavers	Employer Educational Webinar	Webinar	Employers
23.	3/18/22	CalSavers	Employer Educational Webinar	Webinar	Employers
24.	3/21/22	CalSavers	Employer Educational Webinar	Webinar	Employers
25.	3/22/22	CalSavers	Employer Educational Webinar	Webinar	Employers
26.	3/22/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
27.	3/23/22	CalSavers	Employer Educational Webinar	Webinar	Employers
28.	3/24/22	CalSavers	Employee Educational Webinar	Webinar	Employees
29.	3/24/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
30.	3/25/22	CalSavers	Employer Educational Webinar	Webinar	Employers
31.	3/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers
32.	3/29/22	CalSavers	Employee Educational Webinar	Webinar	Employees
33.	3/30/22	Conexiones Educativas	Introducción a CalSavers para trabajadores de IHSS	Webinar	Employees
34.	3/30/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
35.	4/1/22	CalSavers	Employer Educational Webinar	Webinar	Employers

	Date	Organization	Event	Location	Audience
36.	4/4/22	CalSavers	Employer Educational Webinar	Webinar	Employers
37.	4/5/22	CalSavers	Employer Educational Webinar	Webinar	Employers
38.	4/5/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
39.	4/5/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
40.	4/6/22	CA Hispanic Chambers of Commerce	Introduction to CalSavers	Webinar	Employers
41.	4/6/22	CalSavers	Employer Educational Webinar	Webinar	Employers
42.	4/7/22	CalSavers	Employee Educational Webinar	Webinar	Employees
43.	4/7/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
44.	4/8/22	CalSavers	Employer Educational Webinar	Webinar	Employers
45.	4/11/22	CalSavers	Employer Educational Webinar	Webinar	Employers
46.	4/12/22	CalSavers	Employee Educational Webinar	Webinar	Employees
47.	4/13/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
48.	4/14/22	CalSavers	Employer Educational Webinar	Webinar	Employers
49.	4/15/22	CalSavers	Employer Educational Webinar	Webinar	Employers
50.	4/18/22	CalSavers	Employer Educational Webinar	Webinar	Employers
51.	4/19/22	CalSavers	Employer Educational Webinar	Webinar	Employers
52.	4/19/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
53.	4/20/22	CalSavers	Employer Educational Webinar	Webinar	Employers
54.	4/21/22	CalSavers	Employee Educational Webinar	Webinar	Employees
55.	4/22/22	CalSavers	Employer Educational Webinar	Webinar	Employers
56.	4/25/22	CalSavers	Employer Educational Webinar	Webinar	Employers
57.	4/26/22	CalSavers	Employee Educational Webinar	Webinar	Employees
58.	4/27/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
59.	4/28/22	UC Berkeley, Behavioral Economics and Design course	Guest lecture on behavioral insights from CalSavers	Webinar	Policy
60.	4/28/22	CalSavers	Employer Educational Webinar	Webinar	Employers
61.	4/29/22	CalSavers	Employer Educational Webinar	Webinar	Employers
62.	5/2/22	CalSavers	Employer Educational Webinar	Webinar	Employers
63.	5/3/22	Conexiones Educativas	Introducción a CalSavers para trabajadores de IHSS	Podcast	Employees
64.	5/3/22	CalSavers	Employer Educational Webinar	Webinar	Employers
65.	5/3/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
66.	5/3/22	CalSavers	Employer Educational Webinar (Cantonese)	Webinar	Employers
67.	5/4/22	CalSavers	Employer Educational Webinar	Webinar	Employers
68.	5/5/22	CalSavers	Employee Educational Webinar	Webinar	Employees
69.	5/5/22	CalSavers	Employer Educational Webinar (Mandarin)	Webinar	Employers
70.	5/6/22	CalSavers	Employer Educational Webinar	Webinar	Employers
71.	5/9/22	Fresno County Economic Development Corporation	Introduction to CalSavers	Webinar	Employers
72.	5/9/22	CalSavers	Employer Educational Webinar	Webinar	Employers
73.	5/10/22	CalSavers	Employee Educational Webinar	Webinar	Employees
74.	5/11/22	Bakersfield Employer Advisory Council (EAC)	Introduction to CalSavers	Webinar	Employers

	Date	Organization	Event	Location	Audience
75.	5/11/22	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
76.	5/12/22	CalSavers	Employer Educational Webinar	Webinar	Employers
77.	5/13/22	CalSavers	Employer Educational Webinar	Webinar	Employers
78.	5/16/22	CalSavers	Employer Educational Webinar	Webinar	Employers
79.	5/17/22	CalSavers	Employer Educational Webinar	Webinar	Employers
80.	5/17/22	CalSavers	Employee Educational Webinar (Spanish)	Webinar	Employees
81.	5/18/22	CalSavers	Employer Educational Webinar	Webinar	Employers
82.	5/19/22	CalSavers	Employee Educational Webinar	Webinar	Employees
83.	5/20/22	CalSavers	Employer Educational Webinar	Webinar	Employers
84.	5/23/22	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	12/3/2021	Telemundo	Plan estatal de jubilación en California
2	12/3/2021	NBC San Diego	Saving for Retirement When Your Job Doesn't Give You Options
3	12/6/2021	The U.S. Sun	States automatically enrolling you into IRAs to help you save for retirement
4	12/8/2021	ASPPA Net	CalSavers Gives Thanks for November Growth
5	12/9/2021	InvestmentNews	2021: The year of the PEP
6	12/14/2021	Law360	5 Benefits Rulings From 2021 That Attorneys Should Know
7	12/16/2021	ASPPA Net	CalSavers Staff, Investment Consultant Suggest Maintaining Current Investment Approach
8	1/3/2022	Law360	ERISA Cases To Keep An Eye On In 2022
9	1/4/2022	California Broker	CalSavers MANDATE
10	1/6/2022	BenefitsPro	What is the future of retirement plans? What new trends will 2022 bring?
11	1/13/2022	ASPPA Net	CalSavers to Start Imposing Penalties on Noncompliant Employers
12	1/13/2022	ThinkAdvisor	California to Fine Employers Who Spurn CalSavers Auto-IRA
13	1/13/2022	Investment News	California set to fine employers that have ignored auto-IRA registration
14	1/13/2022	NAPA Net	CalSavers to Start Imposing Penalties on Noncompliant Employers
15	1/14/2022	Pensions & Investments	CalSavers sees solid asset, enrollment increases in 2021
16	1/27/2022	The Sacramento Bee	AG candidate calls for fentanyl crackdown + CalSavers goes after employers + Child payments end
17	1/18/2022	PlanSponsor	CalSavers Reports Success in Boosting Retirement Savings for Employees
18	1/20/2022	ASPPA Net	2021 Golden for CalSavers
19	1/20/2022	Monterey Herald	Sara Boyns, Workplace Law: CalSavers compliance deadline approaching
20	1/20/2022	Bakersfield.com	Bakersfield Chamber of Commerce, Moneywise partner to offer retirement plan to members
21	1/21/2022	Law360	CalSavers Urges Supreme Court To Reject Auto-IRA Appeal
22	1/21/2022	Los Angeles Times	Don't have a 401(k) through work? Californians have CalSavers and other options
23	1/25/2022	BenefitsPro	Pension news roundup: PBGC, CalSavers, GE, Milliman
24	1/26/2022	Pensions & Investments	CalSavers preps search for ESG investment option

25	1/31/2022	Repairer Driven News	More businesses offering retirement plan to recruit, retain employees; Find out how SCRS can help
26	2/1/2022	Business Law Today	Recent Developments in ERISA 2022
27	2/7/2022	Law360	Anti-Tax Group Slams Calif. Auto-IRA Defense In ERISA Row
28	2/7/2022	Nasdaq	CalSavers 101: How California's New CalSavers Program Works

Attachments

- Attachment 2A: Summary of Program Participation & Funding as of January 31, 2022
- Attachment 2B: Summary of Monthly Budget Report through December 31, 2021
- Attachment 2C: Quarterly Risk Heat Map