

Introduced by Senator CorteseFebruary 16, 2022

An act to amend Section 100000 of the Government Code, relating to retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1126, as introduced, Cortese. CalSavers: retirement savings.

Existing law, the CalSavers Retirement Savings Trust Act, administered by the CalSavers Retirement Savings Board, establishes the CalSavers Retirement Savings Program and the CalSavers Retirement Savings Trust. Under existing law, the trust consists of a program fund and an administrative fund with trust moneys that are continuously appropriated and administered by the CalSavers Retirement Savings Board for the purpose of promoting greater retirement savings for California private employees. Existing law requires eligible employers to offer a payroll deposit retirement savings arrangement so that eligible employees may contribute a portion of their salary or wages to a retirement savings program account in the program, as specified.

Existing law defines "eligible employer" for purposes of the act to mean a person or entity engaged in a business, industry, professional, trade, or other enterprise in the state, excluding specified federal, state, and local governmental entities, with 5 or more employees and that satisfies certain requirements to establish or participate in a payroll deposit retirement savings arrangement.

This bill would expand that definition of "eligible employer" to include a person or entity, as described above, that has one or more employees. By expanding eligibility under the act, the bill would remove a restriction limiting expenditure of funds and authorize the expenditure

of continuously appropriated moneys for a new purpose, thereby making an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100000 of the Government Code is
2 amended to read:

3 100000. For purposes of this title, the following definitions
4 shall apply:

- 5 (a) “Board” means the CalSavers Retirement Savings Board.
- 6 (b) “CalSavers Retirement Savings Program” or “program”
7 means a retirement savings program offered pursuant to the
8 CalSavers Retirement Savings Trust Act.

9 (c) (1) “Eligible employee” means a person who is employed
10 by an eligible employer.

11 (2) “Eligible employee” does not include:

12 (A) Any employee covered under the federal Railway Labor
13 Act (45 U.S.C. Sec. 151), or any employee engaged in interstate
14 commerce so as not to be subject to the legislative powers of the
15 state, except insofar as application of this title is authorized under
16 the United States Constitution or laws of the United States.

17 (B) Any employee on whose behalf an employer makes
18 contributions to a Taft-Hartley pension trust fund.

19 (d) (1) “Eligible employer” means a person or entity engaged
20 in a business, industry, profession, trade, or other enterprise in the
21 state, whether for profit or not for profit, excluding the federal
22 government, the state, any county, any municipal corporation, or
23 any of the state’s units or instrumentalities, that has ~~five~~ *one* or
24 more employees and that satisfies the requirements to establish or
25 participate in a payroll deposit retirement savings arrangement.

26 (2) Upon a positive determination pursuant to subdivision (a)
27 of Section 100046, eligible employer means an employer of a
28 provider of in-home supportive services, as regulated by Article
29 7 (commencing with Section 12300) of Chapter 3 of Part 3 of
30 Division 9 of the Welfare and Institutions Code.

31 (3) “Eligible employer” does not include an employer that
32 provides a retirement savings program as described in subdivision
33 (g) of Section 100032.

1 (e) “IRA” means an individual retirement account or individual
2 retirement annuity under Section 408(a), 408(b), or 408A of Title
3 26 of the United States Code.

4 (f) “myRA” means the federal myRA retirement savings
5 program, including any successor program, offered by the United
6 States Department of the Treasury or an IRA offered under that
7 program.

8 (g) “Participating employer” means an eligible employer that
9 provides a payroll deposit retirement savings arrangement provided
10 for by this title for eligible employees.

11 (h) “Payroll deposit retirement savings arrangement” means an
12 arrangement by which an employer allows employees to remit
13 payroll deduction contributions to a retirement savings program,
14 which may include an IRA, and in the case of a payroll deduction
15 IRA arrangement, to remit specifically to an IRA.

16 (i) “Trust” means the CalSavers Retirement Savings Trust
17 established by this title.

18 (j) “Vendor” means a registered investment company or admitted
19 life insurance company qualified to do business in California that
20 provides retirement investment products. “Vendor” also includes
21 a company that is registered to do business in California that
22 provides payroll services or recordkeeping services and offers
23 retirement plans or payroll deduction IRA arrangements using
24 products of regulated investment companies and insurance
25 companies qualified to do business in California. “Vendor” does
26 not include individual registered representatives, brokers, financial
27 planners, or agents.