

Attachment 6B – Text of Expected Amendments

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For purposes of this title, the following definitions shall apply:

(d) (1) "Eligible employer" means a person or entity engaged in a business, industry, profession, trade, or other enterprise in the state, whether for profit or not for profit, excluding sole proprietorships, self-employed individuals, or other business entities that do not employ any individuals other than the owners of the business, the federal government, the state, any county, any municipal corporation, or any of the state's units or instrumentalities, that has ~~five or more~~ at least one eligible employees and that satisfies the requirements to establish or participate in a payroll deposit retirement savings arrangement.

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(a) Any employer may choose to have a payroll deposit retirement savings arrangement to allow employee participation in the program under the terms and conditions prescribed by the board.

(b) Within 12 months after the board opens the program for enrollment, eligible employers with more than 100 eligible employees and that do not offer a retirement savings program pursuant to subdivision (~~hg~~) shall have a payroll deposit retirement savings arrangement to allow employee participation in the program.

(c) Within 24 months after the board opens the program for enrollment, eligible employers with more than 50 eligible employees and that do not offer a retirement savings program pursuant to subdivision (~~hg~~) shall have a payroll deposit retirement savings arrangement to allow employee participation in the program.

(d) Within 36 months after the board opens the program for enrollment, ~~all other eligible employers~~ eligible employers with 5 or more employees and that do not offer a retirement savings program pursuant to subdivision (~~hg~~) shall have a payroll deposit retirement savings arrangement to allow employee participation in the program.

(e) By December 31, 2025, eligible employers with 1 or more eligible employee(s) and that do not sponsor a retirement savings program pursuant to subdivision (h) shall have a payroll deposit retirement savings arrangement to allow employee participation in the program.

(~~fe~~) The board, in its discretion, may extend the time limits defined in subdivisions (b) to (~~ed~~), inclusive.

(~~gf~~) (1) Each eligible employee shall be enrolled in the program unless the employee elects not to participate in the program. An eligible employee may elect to opt out of the program by making a notation on the opt-out form or by contacting the program by telephone.

(2) Following initial implementation of the program pursuant to this section, at least once every two years, the board may designate an open enrollment period during which eligible employees that previously opted out of the program shall be given the employee information packet with the disclosure and opt-out forms, for the employee to enroll in the program or opt out of the program by making a notation on the opt-out form.

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(3) An employee who elects to opt out of the program who subsequently wants to participate through the employer's payroll deposit retirement savings arrangement may enroll during the board's designated open enrollment period or at any other time.

~~(hg)~~ (1) An employer that provides an employer-sponsored retirement plan, such as a defined benefit plan or a 401(k), Simplified Employee Pension (SEP) plan, or Savings Incentive Match Plan for Employees (SIMPLE) plan, or that offers an automatic enrollment payroll deduction IRA, shall be exempt from the requirements of the CalSavers Retirement Savings Program, if the plan or IRA qualifies for favorable federal income tax treatment under the federal Internal Revenue Code.

(2) An employer shall retain the option at all times to set up and offer a tax-qualified retirement plan, as described in paragraph (1), instead of having a payroll deposit retirement savings arrangement to allow employee participation in the CalSavers Retirement Savings Program.

~~(ih)~~ An eligible employee may also terminate their participation in the program at any time in a manner prescribed by the board and thereafter by making a notation on the opt-out form or by telephone.

~~(ji)~~ Unless otherwise specified by the employee, a participating employee shall contribute 3 percent of the employee's annual salary or wages to the program.

~~(kj)~~ By regulation, the board may adjust the contribution amount set in subdivision ~~(ji)~~ to no less than 2 percent and no more than 5 percent and may vary that amount within that 2 percent to 5 percent range.

~~(lk)~~ The board may implement annual automatic escalation of employee contributions.

(1) Employee contributions subject to automatic escalation shall not exceed 8 percent of salary.

(2) Automatic escalation shall result in no more than a 1-percent-of-salary increase in employee contributions per calendar year.

(3) A participating employee may elect to opt out of automatic escalation and may set their contribution percentage rate at a level determined by the participating employee.