

THE PEW CHARITABLE TRUSTS

CalSavers and the private retirement plan market

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The Pew Charitable Trusts

CalSavers Retirement Savings Board

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Auto-IRAs and market for retirement plans

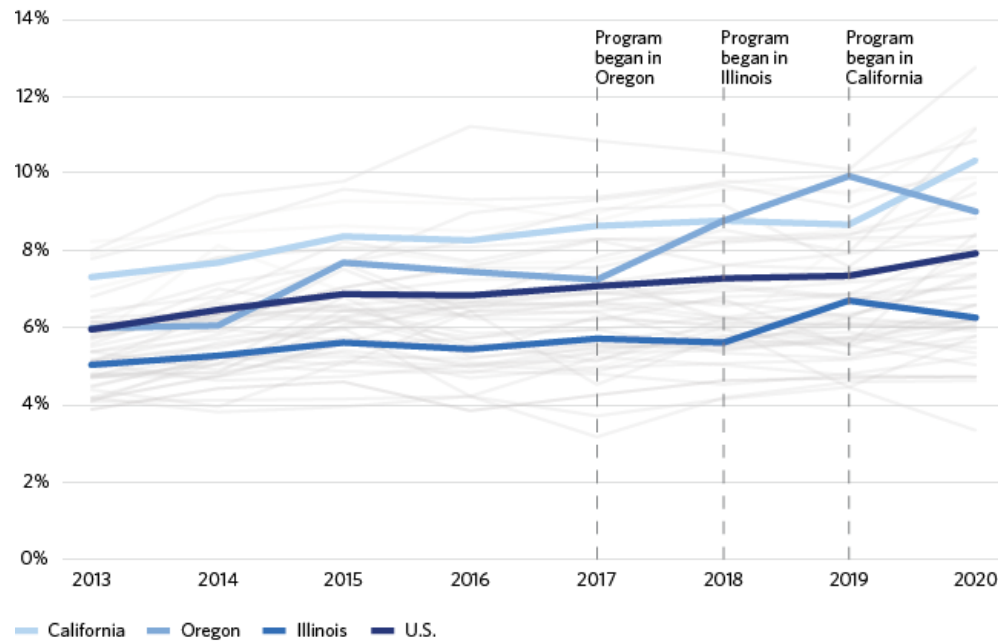
- Competitive or complementary?
- Auto-IRAs ‘nudging’ employers to adopt plans?
- Are employers dropping their benefits?
- Analysis of Form 5500 filings, 2013-2020, with focus on CA, IL, OR

Auto-IRAs ‘nudging’ employers to adopt plans?

Figure 1

Employers Continue to Launch Retirement Plans in States With Auto-IRAs

Share of new plans remains higher than before introduction of state-facilitated savings programs

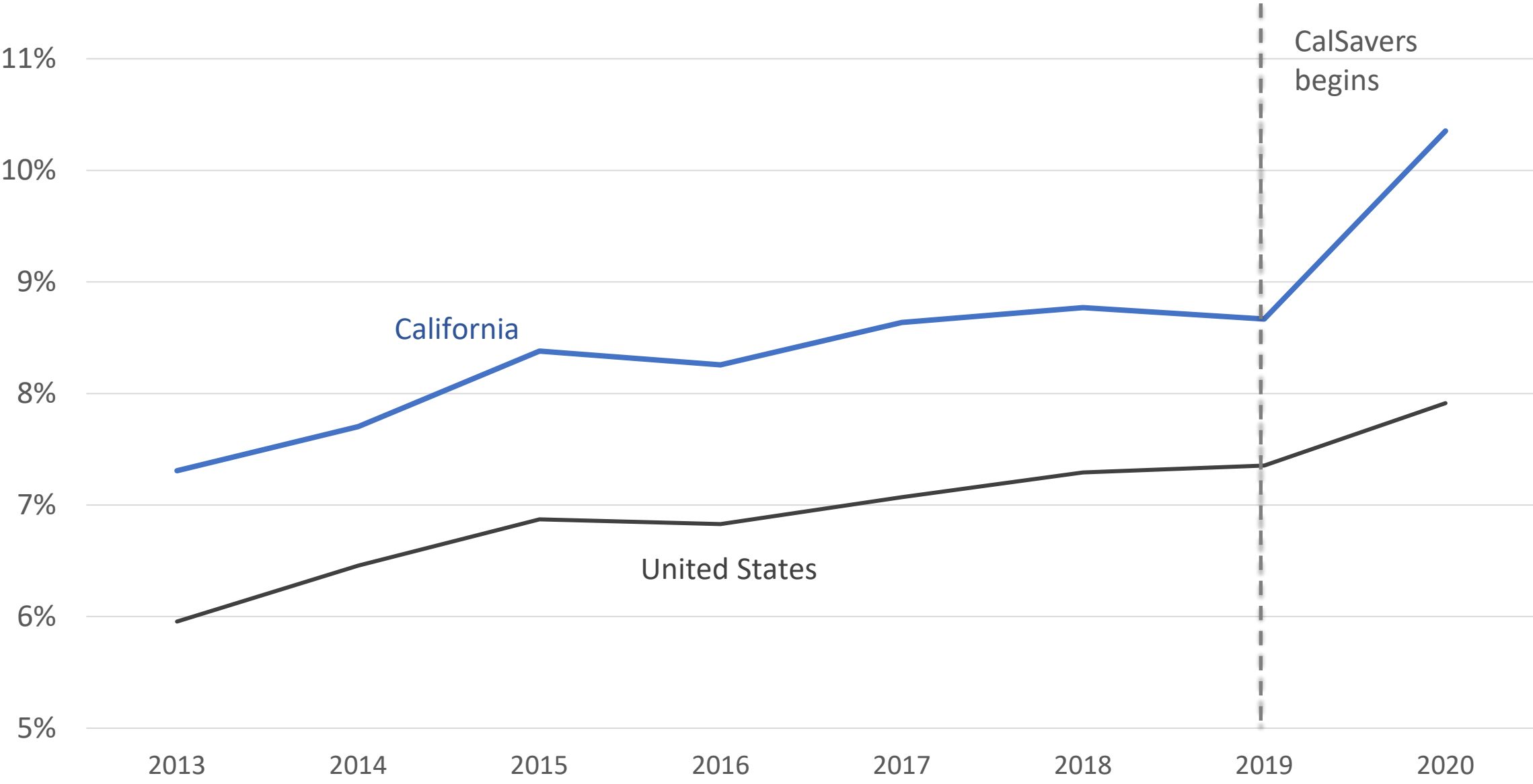


Bump in new plans after auto-IRAs go into effect

Note: California's program launched for larger employers in 2019, following a pilot version the previous year.

Source: The Pew Charitable Trusts' calculations from Form 5500 data filed by employers with the U.S. Department of Labor

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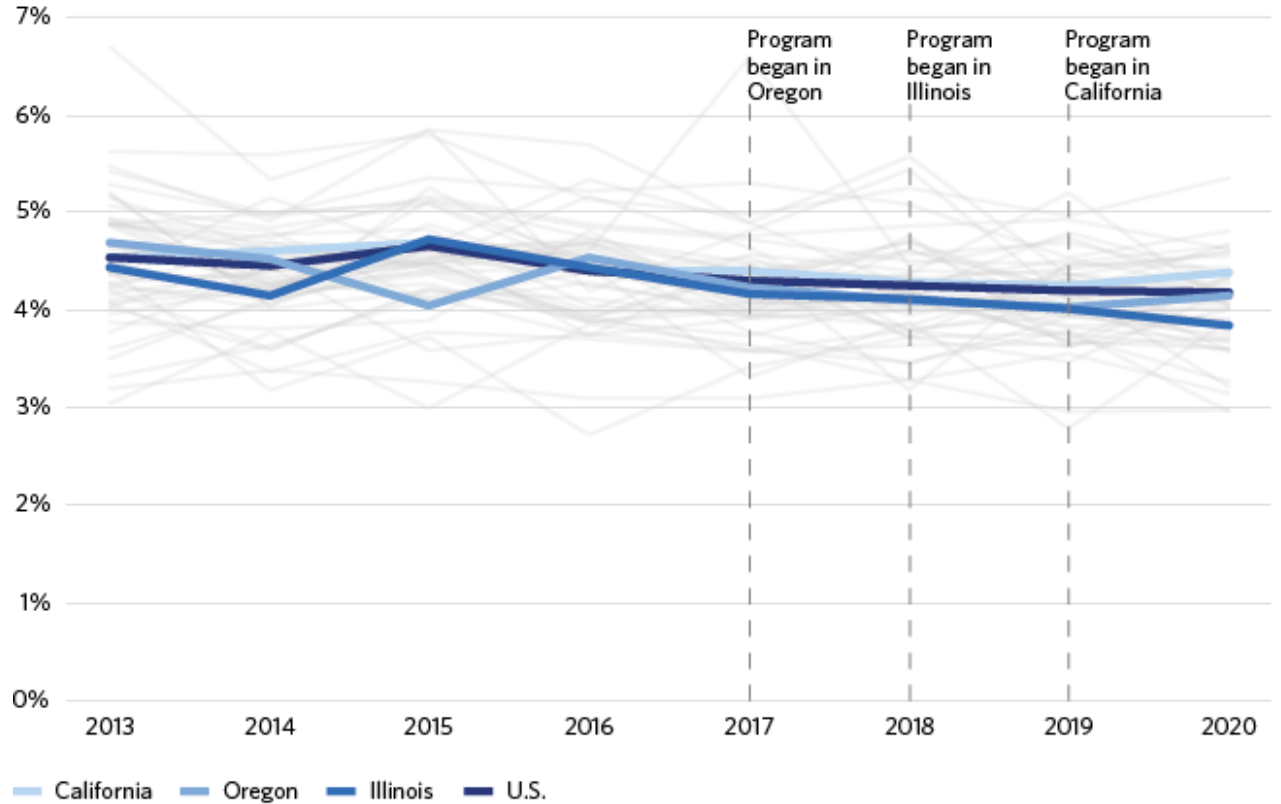


Are employers dropping their retirement plans?

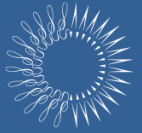
Plan terminations in auto-IRA states not different from other states, US average

Figure 2
Share of Retirement Plans Terminated by Private Sector Employers, 2013 to 2020

Little change nationwide—or in states that enacted auto-IRA plans



Source: The Pew Charitable Trusts' calculations from Form 5500 data filed by employers with the U.S. Department of Labor
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Accounting for participant numbers vs projections

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Participant numbers: projections and actual

What factors might account for current participant enrollment versus projections?

- Estimates of uncovered population include all forms of firms, workers
- Access gap estimates have varied because of different surveys, datasets, ways of measuring who has a retirement plan
- Nontraditional workers (independent contractors, temp staff, gig workers, etc.)
- Employer compliance and new exemptions
- Workers at a job with a plan but cannot participate
 - Plan may exclude those with less than a year of service or under age 21
 - 25% of eligible employees do not participate = nearly 2M California workers