



CALIFORNIA STATE TREASURER JOHN CHIANG

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State Treasurer Chiang Announces CalSavers Administrator and Investment Manager, Releases Third AARP Video

SACRAMENTO – California State Treasurer John Chiang today announced the selection of Ascensus College Savings Recordkeeping Services, LLC as program administrator and State Street Global Advisors Trust Company (SSGA) as the investment manager for the CalSavers Retirement Savings Program.

The board governing CalSavers — the California Secure Choice Retirement Savings Investment Board — made the two selections by unanimous vote earlier today.

“The board has chosen two well-known and respected firms to join our team in implementing this groundbreaking program,” said Treasurer Chiang, who also serves as chairman of the board. “They will play a key role in achieving our goal of creating an easy path for more than 7.5 million hard-working Californians to save for a dignified retirement.”

CalSavers is a state-backed program that will offer workers access to a completely voluntary, low-cost, portable retirement savings vehicle, featuring professionally managed investments and oversight provided by a public, transparent board of directors. In 2012, California became the first state in the nation to take action to remedy the existential retirement crisis faced by millions of Californians, and millions of others across the nation. California was the first to enact legislation establishing a board and program, and even provided a legislative model for other states, including Oregon and Illinois, which both followed in California’s lead. A privately funded feasibility study was finalized in 2016, and the final authorizing legislation was enacted in September 2016.

Ascensus will provide recordkeeping, custodial, and customer support services, including marketing and outreach. The privately-held company is the market leader in recordkeeping for state IRA programs, providing services to the two currently operating programs — OregonSaves and Illinois Secure Choice.

SSGA, with assets of more than \$2.7 trillion, includes among its clients public funds, corporations, endowments and foundations, pension funds, and sovereign wealth funds. It also provides investment manager services for OregonSaves and Illinois Secure Choice.

Ascensus will initially charge an annual account maintenance fee of 75 basis points (0.75 percent), which will then decline over several defined steps, as the total program assets grow. Ultimately, the account maintenance fee will drop to 15 basis points (0.15 percent) — the lowest in the nation among similar programs — once the program reaches a total of \$35 billion in assets.

Chiang added, “Not only will CalSavers provide the largest expansion of retirement security since the passage of Social Security, but the program will continue to help employees save by having the most aggressively declining fees among all of its peers across the nation.”

SSGA will offer four investment options: a capital preservation fund, a suite of target date funds, a high-quality bond fund, and an equity fund (composed of both US and international holdings). Pricing will range from 2.5 basis points (0.025 percent) to 12 basis points (0.12 percent).

Ascensus and SSGA will join two firms, AKF Consulting, Inc. and Meketa Investment Group, hired by the program in the past year to provide program and investment consulting services to the board. Legal advisory services have been provided by the law firm K & L Gates since 2015.

CalSavers will launch a pilot program this fall, and be fully open statewide next year. Employers with 100 or more employees which do not already offer a retirement savings plan will have one year from the full program launch date to register. Employers with 50 or more employees and those with 5 or more employees will have two and three years, respectively, to register.

Also, today, Treasurer Chiang and AARP partnered together to release the third in a series of four weekly CalSavers videos highlighting the benefits of CalSavers. The newest video not only highlights the retirement security the program will provide employees, but the ease of use the program will provide employers.

“So if we have the ability to offer our employees a retirement savings plan that was reasonably priced and with little administrative burden, we would gladly welcome the opportunity to do so,” said Lorenzo Harris, founder and president of Janico Building Services of North Highlands, California.

For more information about CalSavers visit www.treasurer.ca.gov/scib.

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