



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

FOR IMMEDIATE RELEASE

PR 18:74
November 27, 2018

Contact: [Press Office](#)
916-653-2995

Treasurer Chiang & Senator De León Vow to ‘Leave No Worker Behind’ at CalSavers Kickoff Event in Los Angeles

Program Now Up and Running as First Group of Businesses Join Statewide Effort to Reach Out to 7.5 Million Private Sector Workers

LOS ANGELES, CA – Kicking off a series of launch events throughout California in Los Angeles today, in front of small business leaders, community partners, and Californians ready to take control of their retirement security, California State Treasurer John Chiang and State Senator Kevin De León kicked off CalSavers — a new statewide retirement savings program destined to empower 7.5 million California workers, currently without access to a workplace retirement program, to start saving for their golden years.



“Our businesses and workers have grown California’s economy to the fifth largest in the world, so it is with great fulfillment that we, as one state, are today declaring we are leaving no worker behind to languish in poverty through their golden years,” said Treasurer Chiang. “Small

business employees and our state's millions of self-employed and gig economy workers now have a clear path to saving for a secure retirement. CalSavers will help facilitate the most ambitious and sweeping expansion of retirement security since the passage of Social Security in 1935."

California is a leader in the growing national movement to provide retirement savings programs to workers who lack access through their places of work. Illinois and Oregon have created similar savings programs for workers, and a growing list of additional states are waiting in the wings to follow California's example, and similarly revolutionize efforts to ensure workers do not retire into poverty.

Senator De León, who authored the groundbreaking legislation that created CalSavers, added, "No one who works every day to provide for themselves and their loved ones should be forced to retire into poverty. That's why we fought Wall Street to create CalSavers, which will provide millions of Californians with a way to end their working years with dignity."

California currently has nearly two-hundred thousand small businesses that are unable or unwilling to offer their employees a retirement savings program, resulting in four million small business employees working without any workplace retirement.

In Los Angeles County, more than 60,000 employers and more than 1.5 million employees are eligible for the retirement savings program.

Today's event is one of five being held statewide this week to launch the CalSavers program; the others being held in San Diego, Fresno, Sacramento, and San Francisco, respectively.

Experts agree that the critical mistake many workers, of all ages, make year-after-year lies in assuming Social Security benefits will manage to sustain them in their retirement years. But, with the average Social Security benefit paying less than \$17,000 annually, Social Security alone is not enough to retire with dignity.

In fact, nearly half of California workers are on a trajectory to retire into economic hardship, defined as below twice the federal poverty rate. And with researchers now estimating that California's senior population is projected to increase by 64 percent by 2025, that means up to 12 million Californians may be at risk of retiring without the resources to live a dignified retirement.

But access to workplace retirement programs makes individuals 15 times more likely to save for retirement, and even modest savings faithfully maintained over a career can make a difference. Analyses have shown a typical 25-year-old California worker who participates in CalSavers could amass \$350,000 by the time they retired at age 65 — two-thirds of which would come from earnings on the original investments made by the saver.

CalSavers will put more Californians on the path to greater financial independence in retirement without spending a cent of taxpayer monies. Additionally, there are no costs to employers, who are already registering to participate in the pilot program.

“Our 41 employees are like family, which is why we have wanted to provide them with some sort of retirement security program for a long time, but, as a small business, the administrative burden and costs have always been prohibitive for us,” said Lorenzo Harris, President and CEO of Janico Building Services in North Highlands. “CalSavers will allow us to finally give each of our employees the power to take control of their own retirements, while giving us the ability to attract additional employees. We can’t wait to sign up!”

Janico Building Services was the first employer in the state to sign up for the CalSavers pilot program.

The law establishing CalSavers requires any employer with five or more employees, which does not already offer a workplace retirement savings program, to begin offering a retirement savings program either through the private market or by providing their employees access to CalSavers. Beginning July 1, 2019, employers of all sizes can register for CalSavers at www.CalSavers.com. However, employers can currently register for the pilot program already underway. Employers with 100 or more employees, who do not already offer a retirement plan, will have until June 30, 2020 to register. Employers with 50 or more employees will be required to register by June 30, 2021, and those with five or more employees thereby June 30, 2022. Employers of any size can register at any time, even before their registration deadline.

Once enrolled, employees can choose their own contribution amount, up to the federal maximum of \$6,000 — the same as any Individual Retirement Account (IRA) — with deductions made automatically from their paychecks.

For more information about CalSavers or to enroll in the program, employers or individuals can visit www.CalSavers.com, email CalSavers@treasurer.ca.gov, or follow the program on Twitter at [@CalSavers](https://twitter.com/CalSavers).

To view video of event [click here](#).

###

For more news about the State Treasurer’s Office, please follow Treasurer Chiang on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), and on Facebook at [California State Treasurer’s Office](https://www.facebook.com/CaliforniaStateTreasurersOffice).