



California State Treasurer Fiona Ma, CPA

Press Release

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Federal Court Order a Win for CalSavers and All Californians

Sacramento – The United States Court of Appeals for the Ninth Circuit today affirmed the United States District Court for the Eastern District of California’s dismissal of claims by a group that sought to block the CalSavers Retirement Savings Program, a program designed to help millions of private sector workers in California prepare for retirement.

“We are very pleased with the Court’s ruling,” said California State Treasurer Fiona Ma, who chairs the CalSavers Retirement Savings Board. “CalSavers is a simple solution to level the playing field for workers who for too long haven’t had access to workplace based retirement plans. There is no reason to deny millions of hardworking Californians access to this savings program when the alternative is to see them work until they are physically unable to, or suffer the hardships that come with little to no savings.”

The lawsuit by the Howard Jarvis Taxpayers Association sought to block CalSavers on the grounds that the federal Employee Retirement Income Security Act (ERISA) preempts CalSavers, making the program invalid.

The Court rejected that argument, however, finding that ERISA does not preempt CalSavers: “We hold that the preemption challenge fails. CalSavers is not an ERISA plan because it is established and maintained by the State, not employers; it does not require employers to operate their own ERISA plans; and it does not have an impermissible reference to or connection with ERISA. Nor does CalSavers interfere with ERISA’s core purposes. Accordingly, ERISA does not preempt the California law.”

Executive Director Katie Selenski reported that more than 10,000 employers have registered since the program launched on July 1, 2019 and 340,000 workers have enrolled. More than 140,000 individuals already have actively funded accounts amounting to nearly \$68 million. "We're not even halfway through our rollout and we're already proving that when given an easy, automatic, portable option, workers across the income spectrum will save for their futures," Selenski said.

Employers with more than 50 employees who do not offer a retirement plan must register for CalSavers by June 30, 2021. Employers with at least five employees have until June 30, 2022 to register. Learn more at www.calsavers.com.

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Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$107.4 billion, \$34 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on outstanding debt of \$93 billion.

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