



NEWS...

From the Desk of California State Treasurer Fiona Ma, CPA



JULY 2019



Dear friends,

When that greatly anticipated date of your retirement finally arrives will you be ready?

CalSavers, California's state-sponsored retirement savings program for private sector workers, can put you in the position to answer that question with a confident, "Yes."

Launching July 1, CalSavers is California's best answer to the retirement crisis that threatens to leave far too many workers empty handed later in life – just because they happen to lack access to a savings program through their workplace.

This is no small matter. Over half of working Californians lack such access and a vast number are minorities.

Now, with CalSavers, millions of these California workers will have access to a simple, convenient way to save for their futures.

CalSavers allows employers to help employees save for retirement in a way that does not cost a company a single penny in fees. This can be important to small companies in particular.

This newsletter is not intended to be and should not be used for making investment decisions about State of California bonds or notes. Potential investors should always obtain and read the Official Statement published by the State for each issue of bonds or notes.

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Ask Red Bay Coffee in Oakland. Founded by artist Keba Konte in 2014, Red Bay signed on for CalSavers during the program's pilot period.

Whether a worker or an employer there's more information about CalSavers in this newsletter you will want to learn, including what companies can expect from the phased rollout of the program over the next few years. So, read on.

In Peace & Friendship,



Fiona



Workers at Red Bay Coffee in Oakland now have access to CalSavers retirement savings accounts.

FEATURED EMPLOYEE OF THE MONTH



Heart of the Treasury

Meet the people in the State Treasurer's Office whose public service inspires us and is making a difference.

Justin Gustafson, is an office technician for the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). He regularly goes above and beyond what is required. He takes each task seriously, wearing a smile as he gives his best effort.

Justin's ability to handle challenging and time sensitive tasks while staying poised has helped the office meet several deadlines.

His attention to detail is a boon to the office and to coworkers and he is always eager to help. CAEATFA looks forward to seeing Justin continue to develop and grow as he continues his career with the State of California.

Congratulations Justin for being June's employee of the month.



ABCs of the BCAs

Financing and Investing for California Families, Businesses and Infrastructure ... Through 26 Boards, Commissions and Authorities (BCAs) Treasurer Ma is a Member of, or Chairs.

FEATURED BCA CalSavers

Helping Working Californians Save for Their Retirement Years

Younger workers can become so focused on finding affordable housing, paying off student loans, and advancing their careers that they delay retirement planning. They might not even notice when they are not offered a retirement savings plan at work.

California is changing that with CalSavers.

And it's not only for millennials. It's for California workers of all ages who wish to save money for retirement. As of July 1, 2019 any eligible employer can join the program.

Poised to become the largest state-administered retirement program for private sector workers in the nation, CalSavers aims to ensure that nearly all working Californians have a way to save for retirement through their workplace.

With CalSavers California is establishing itself as a national leader in a growing movement to address the retirement savings crisis nationwide. Oregon and Illinois operate similar programs and many other states and cities are following suit.

The state law enacting CalSavers requires employers to either sponsor a private market retirement plan or participate in CalSavers. Eligible employers with more than 100 employees will be required to comply by June 30, 2020. Eventually, all employers without employee retirement savings plans and who have five or more employees will be required to participate. Registration deadlines will vary based on the size of the business.

CalSavers is easy for employers and workers to set up. There are no fees for employers, it has low fees for savers, and it

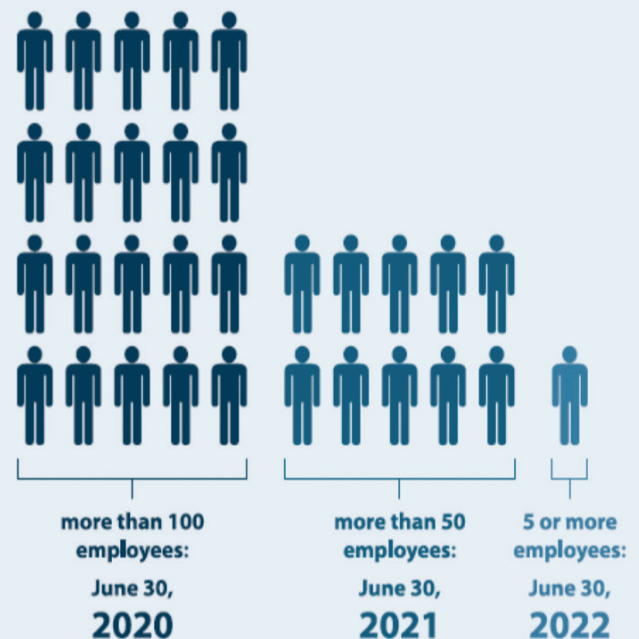
operates at zero cost to taxpayers.

Here's how CalSavers works:

Employers register their business and upload employee information to the CalSavers website to facilitate automatic employee enrollment and contributions. (If a business has a payroll company, it may designate the payroll vendor to handle these steps.)

Unless a worker designates some other amount, 5 percent of their pay will be contributed to a Roth IRA, with a

Registration Deadlines for Eligible Employers*



*All eligible companies are free to register any time after July 1.

periodic 1 percent automatic escalation until it reaches 8 percent Employees can choose their own contribution rate, opt out of automatic escalation, or opt out of the program entirely at any time.

Unless the worker chooses an investment option, a default option puts the first \$1,000 saved into a money market fund and subsequent contributions into a Target Date Fund selected based on the worker's age in which the mix of investments automatically adjusts as they approach retirement age. Workers can choose investments from a menu of options designed to make investment choices simple, including a fund focused on environmental and social responsibility.

Gig economy workers (the independent and self-employed) may also join CalSavers when the feature is made available later this year. The program is overseen by a nine-member board chaired by State Treasurer Fiona Ma.

Katie Selenski, executive director of CalSavers, said the program gives workers a nudge to start saving now for their retirement years.

"All the research shows that having access to a workplace retirement savings program makes a huge difference in

whether employees save for retirement, especially if it includes automatic enrollment" she explained.

Research shows that workers with payroll deduction savings plans are 15 times more likely to save for retirement. They are 20 times more likely to save when enrollment in a plan is automatic.

The program was created through Senate Bill 1234, authored by former Senate President Pro Tempore Kevin de León in 2012. De Leon was inspired by an aunt who cleaned houses six days a week for 50 years. She had no retirement savings, he said, beyond a modest social security check.

Far too many Californians are in similar circumstances. Of those without access to a workplace retirement plan, 58 percent are women and 66 percent work for small businesses. About two-thirds of millennials aged 22 to 37 have saved nothing for retirement and 29 percent of households aged 55 or older also have no savings.

In addition to helping individuals, CalSavers is expected to save taxpayers money. If fewer senior citizens retire into poverty, fewer people will need additional government assistance.

By giving workers a simple and effective way to save for their retirement, CalSavers is helping to create a brighter and more secure future for California.

Note: Each month we will be sharing information on one of our BCAs and explain how the programs behind the acronym are enhancing the lives of Californians all across the state -- and how you, your family, or your business can share in, and contribute to, California's prosperity.



Christin Evans, co-owner of The Booksmith in San Francisco is a participating employer in CalSavers.



Ask Fiona

Dear Fiona,

My former employer mailed my last paycheck to the wrong address, so I never received it. When I contacted them, they told me that the money was turned over to the state. How can I claim my money?

Sincerely,

Eric

Dear Eric,

In California, unclaimed property or lost money is the responsibility of the State Controller's Office (SCO). You can search for unclaimed property and obtain claim filing instructions and forms on the SCO's website at https://www.sco.ca.gov/upd_msg.html.

Questions regarding unclaimed property may be directed to the SCO's Unclaimed Property Call Center at 1-800-992-4647.

Sincerely,
Fiona



Have a Question for the Treasurer?

Readers:

Send your questions for California State Treasurer Fiona Ma via email to: AskFiona@treasurer.ca.gov

Address letters to:

California State Treasurer Fiona Ma
Post Office Box 942809, Sacramento, CA 94209-0001



Top Billing

A monthly update on key legislation for Treasurer Ma

529 ScholarShare Tax Deduction on State Income Taxes

Assembly Bill 211, Ian Calderon (D-Whittier)

<https://a57.asmdc.org/>

Provides a state income tax deduction for those who contribute to a California ScholarShare 529 account, not to exceed \$5,000 for single taxpayers, or \$10,000 for joint filers. *(Amended in Appropriations to include salary caps of \$75,000 for single taxpayers and \$150,000 for joint filers.)*

Expand the Low-Income Housing Tax Credit

Assembly Bill 10, David Chiu (D-San Francisco)

<https://a17.asmdc.org/>

Increases California's Low Income Housing Tax Credit (LIHTC) by \$500 million beginning in 2020 and would allocate to farmworker housing projects \$25,000,000 per year of that amount.

Eliminate Sunset Date for Certification and Bifurcation of Low-Income Housing Tax Credits

Senate Bill 9, Jim Beall (D-San Jose)

<https://sd15.senate.ca.gov/>

Eliminates the sunset date for reauthorization to certificate and bifurcate state Low-Income Housing Tax Credits, and would require the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described by the bill indefinitely.

Financial Institutions for Cannabis

Senate Bill 51, Robert M. Hertzberg (D-Van Nuys)

<https://sd18.senate.ca.gov/>

Creates a limited-purpose state charter for privately funded banks to service licensed cannabis businesses with the goal of providing alternative banking opportunities for the cash-only cannabis industry.

Name Translation on Ballot Materials

Assembly Bill 57, Evan Low (D-Silicon Valley)

<https://a28.asmdc.org/>

Standardizes the way names are translated into character-based languages on the California ballot.



Top Billing

A monthly update on key legislation for Treasurer Ma

Tax Deductions on Ordinary Business Expenses for Cannabis Businesses

Assembly Bill 37, Reginald Byron Jones-Sawyer Sr. (D-Los Angeles)

<https://a59.asmdc.org/>

Allows cannabis businesses to receive the same state income tax deductions as regular businesses on ordinary business expenses for each taxable year beginning on and after January 1, 2019.

Online Retailers Sales Tax: Expansion to Marketplace Facilitators

Assembly Bill 147, Autumn Burke (D-Marina del Rey)

<https://a62.asmdc.org/>

Extends retailers sales tax to online marketplace facilitators and requires them to collect and remit taxes on behalf of third-party sellers. *(Signed into law.)*





The Vault

Calendar of recent and upcoming public finance activities and bond sales

Week of July 8

Trustees of the California State University Systemwide Revenue Bonds Series (\$800 million)

The bonds will provide money for various projects throughout the university system. Also includes remarketing of previously issued bonds.

For more information go to: <https://www.buycaliforniabonds.com>

Calendar of Upcoming BCA Events

Boards, Commissions and Authorities (BCAs) within the State Treasurer's Office

July

17 CDLAC Board Meeting

1:30 PM

915 Capitol Mall, Room 587, Sacramento, CA 95814

Details:

Public Participation Via Phone: (888) 557-8511 Code: 5651115

<https://www.treasurer.ca.gov/cdlac/meeting/index.asp>

For a full roster of meetings, public presentations, deadlines for grants, and more, for all boards, commissions and authorities (BCAs) please go to the Treasurer's website: <https://www.treasurer.ca.gov/>



The Ma Squad

Photos of Treasurer Fiona Ma on the Road



With Lt. Governor Eleni Kounalakis and Diploma Dog during a visit to the Capitol to promote saving for college through the state's ScholarShare 529 plan.



With Chula Vista Mayor Mary Salas to present a check for \$10,000 for library books and other learning aids to Castillas Elementary. The Treasurer has visited 20 schools and distributed \$305,000.



In Hacienda Heights with KCAL Insurance Agency hosting the first small business seminar to feature a simultaneous Chinese language translation.



Chairing the California Green Bond Market Development Committee at U.C. Berkeley's Center for Environmental Public Policy.



Treasurer Ma with senior staff members in Riverside, the first stop on a 10-city swing through the state to develop ideas with stakeholders about how to revamp regulations that determine tax credits for affordable housing developments.