

NOTICE OF PROPOSED RULEMAKING ACTION
Title 10, Chapter 15, CalSavers Retirement Savings Board, California Code of
Regulations

Amendment to the California Code of Regulations, Title 10 Chapter 15, Regarding the
CalSavers Retirement Savings Program

Notice Published October 9, 2026

Notice is hereby given that the CalSavers Retirement Savings Board (Board) is proposing to adopt the regulations described below after considering all comments, objections, and recommendations regarding the proposed regulations.

Public Proceedings

The Board is conducting a 45-day written public proceeding during which time any interested person or such person's duly authorized representative may present statements, arguments, or contentions (all of which are hereinafter referred to as comments) relevant to the action described in the Informative Digest/Policy Statement Overview section of this notice.

To request copies of the regulatory proposal in an alternate format, please write: 915 Capitol Mall, Suite 140, Sacramento, CA 95814, email Tristan.Woolacott@treasurer.ca.gov, or call (916) 653-1744.

Written Comment Period

Written comments pertaining to this proposal, regardless of the method of transmittal, must be received by the Board by November 23, 2026, which is hereby designated as the close of the written comment period. Comments received after this date will not be considered timely.

Written comments must be submitted as follows:

By email

CalSavers@sto.ca.gov.

It is requested that email transmission of comments, particularly those with attachments, contain "regulation" in the subject line; to facilitate timely identification and review of the comment.

By regular mail

CalSavers Retirement Savings Board
Re: Rulemaking for the CalSavers Retirement Savings Program
P.O. Box 942809
Sacramento, CA 95815

By courier delivery

CalSavers Retirement Savings Board

Re: Rulemaking for the CalSavers Retirement Savings Program
915 Capitol Mall, Suite 140
Sacramento, CA 95814

Public Hearing

A public hearing has not been scheduled for this rulemaking action. However, the Board will conduct a public hearing if a written request for a public hearing is received from any interested person, or their authorized representative, no later than 15 days prior to the close of the written comment period, pursuant to Government Code Section 11346.8.

Authority and Reference Citations

Authority: Sections 100010 and 100048 of the Government Code (GOV Code) provide the Board with the authority to adopt regulations to implement Title 21 GOV Code.

Reference: Sections 100000, 100002, 100004, 100008, 100012, 100014, 100032, 100033, 100034, 100043, and 100046 of Title 21 GOV Code.

Informative Digest/Policy Statement Overview

Summary of Proposal

The Board proposes adopting and amending its regulations to do the following:

- Clarify the Board's regulations by making the terminology in the Board's rules more consistent and easier to understand;
- Implement requirements for employers, employees, and individuals;
- Clarify the Board's penalty enforcement and refund process; and
- Introduce the process for employers to exempt themselves from the CalSavers Retirement Savings Program (Program).

Background

In 2012, the California Legislature enacted, and the Governor signed, Senate Bills (SB) 1234 and (Chapter 734, Statutes of 2012) and SB 923 (Chapter 737, Statutes of 2012) which established the California Secure Choice Retirement Savings Investment Board (subsequently changed to the "CalSavers Retirement Savings Board" through Assembly Bill (AB) 102 in 2020). The legislation among other things required the Board to determine, based on the market analysis, if conditions to implement the CalSavers Retirement Savings Program (Program) can be met and prohibited the implementation of the Program without subsequent legislation to authorize it.

In 2016, the California Legislature enacted, and the Governor signed SB 1234 (Chapter 804, Statutes of 2016) which, among other things, granted the Board the authority to take the steps necessary to implement the Program, including the adoption of regulations.

In 2020, the California Legislature enacted, and the Governor signed AB 102 (Chapter 21, Statutes of 2020) which among other things, created a penalty enforcement scheme administrated by the CalSavers Retirement Savings Board and the Franchise Tax Board (FTB). The bill expressly vested the Board with the ability to levy penalties on

employers for failing to allow its eligible employees to participate in the Program. The bill requires the Board to provide penalty notices to employers who fail to allow their employees to participate in the Program. If compliance is not satisfied after the Board's notice is served on a noncompliant employer, the bill permits FTB to impose a penalty of \$250 for failure to allow employees to participate in the Program. If noncompliance persists after the initial penalty is imposed, FTB is authorized on behalf of the Board to issue additional penalties of \$500 for continued noncompliance. Lastly, the bill created an appeals process by which employers may dispute penalties authorized by the bill with FTB.

In April of 2020, the Board authorized Board staff to engage in rulemaking activities which among other things, created Section 10008 subsections (a) and (b) of Title 10 of the California Code of Regulations (CCR). By January 13, 2022, Board staff had completed the emergency rulemaking process and made permanent those regulations authorized by the Board. Title 10 of the California Code of Regulations (CCR) Section 10008 subsections (a) and (b) delegate penalty enforcement to Board staff and set forth requirements for Board staff to notify employers of pending enforcement activities.

At the November 13, 2023, meeting, the Board approved regulations amendments to clarify the assessment and collection of penalties from employers who fail to allow their employees to participate in the Program and provide the Board with the ability to refund penalties collected in error.

Lastly, at an August 20, 2026, meeting, the Board approved further regulations amendments to clarify penalty enforcement and refunds, broadly clarify the Board's regulations through standardization, implement requirements for the public, and create an employer exemption process. This filing is intended to enact the regulatory changes approved by the Board.

Policy Statement Overview

Objectives, Goals, & Problems Addressed by this Rulemaking

The objective of this rulemaking is to make the language and layout of the Board's existing regulations consistent to ensure the regulated community can more easily understand the rules and requirements of the Program. Additionally, this rulemaking is intended to clarify exemptions from the Program and noncompliance enforcement.

The main problem this rulemaking is intended to solve is the lack of clarity around the Board's requirements for individuals (employers and Program participants). By adding more detailed descriptions and step by step procedures for the public to accomplish tasks with the Program, the Board intends to improve compliance among the regulated community and reduce confusion about the Program's rules.

Overall Anticipated Benefits of this Rulemaking

This rulemaking, if implemented, would bolster the Program by clarifying terms used by the Board in its regulations which among other things administer the Program. For employers and business owners, it would clarify what responsibilities they have in

facilitating the Program and how to maintain compliance. For employees and individual participants, it would clarify how the Program works, their rights within the Program, and the requirements of the Program.

Additionally, these regulations will notify and communicate to employers when they are subject to penalties assessed by the Board and provide refunds for penalties in limited circumstances. This benefits employers by informing them of their responsibilities, so they are not penalized without the opportunity to comply by accessing publicly available information on what is required to establish and maintain compliance with the Program. It also establishes a refund process for those who believe they were penalized in error, allowing them to request a refund of those funds forfeited in the enforcement process.

This proposed rulemaking also ensures that participants' account settings including investment elections, automatic escalation elections, and savings rates remain stable throughout their career by creating a rule that keeps their elections the same regardless of whether participants change jobs or obtains multiple jobs at other participating CalSavers employers. This simple rule aligns the Program's design with the legislature's intent for the Program and with how other IRA programs, public or private operate throughout the country. It should be noted that the change preserves the right of participants to change their settings at any time which are also detailed in this rulemaking.

Other benefits include an improvement in the compliance rate, through the improved communication of administrative procedures, exemption eligibility, and other Board requirements, which will benefit the perception of the Program in the eyes of the public.

By improving the clarity of the Board's regulations, communicating a penalty schedule for noncompliance, and setting forth requirements for penalty refunds, the Board is providing non-monetary benefits to the regulated community. Additionally, the proposed regulatory action increases transparency in business and government by more clearly communicating employer responsibilities, the penalty schedule for noncompliance, and the requirements and procedures for penalty refunds.

Effect of the Proposed Regulations

Similar to the benefits of this rulemaking, the effects of the proposed regulations are as follows.

1. Improve the clarity of the Board's regulations through the standardization of its language and formatting, making it easier for employers and employees to understand and adhere to the regulations.
2. Communicate to the regulated community information about exempted parties and noncompliance penalties.
3. Implement the Program Administrator's and the Board's requirements for exemptions from the Program.
4. Improve compliance as it relates to exemptions and further clarify how to obtain penalty refunds.

Evaluation as to Whether the Proposed Regulations Are Inconsistent or Incompatible with Existing State and Federal Regulations

The Board evaluated whether there are any other regulations that may be adversely impacted by the adoption of these proposed regulations and found no such cases. Because these regulations are solely for the purpose of operating the Program, and no other regulations exist in the CCR and the Code of Federal Regulations that pertain to the operation of the Program, the proposed regulations are neither inconsistent nor incompatible with existing state and federal regulations.

Additionally, the Board found that there are no federal statutes with which the proposed regulations are inconsistent nor incompatible.

Consideration of Alternatives

The Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to its attention, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board, in initiating this rulemaking, will consider alternatives proposed by the public during the public comment period or any public hearing the public requests as a result of this rulemaking. To that end, the Board welcomes and solicits feedback from the public.

Documents or Forms Incorporated by Reference

None for this rulemaking.

Mandate by Federal Law or Regulations

None.

Other Statutory Requirements

None.

Local Mandate

The Board has determined that this regulatory action would not impose a mandate on local agencies or school districts, nor are there any costs that require state reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

Fiscal Impact Statements

Cost Estimate

The Program is funded through administrative fees assessed on the assets invested in the Program. As established under GOV Code Section 100050, startup costs for the Program are appropriated from the General Fund in the annual Budget Act in the form

of a loan and are required to be repaid through the fees assessed on the Program fund, with interest calculated at the rate earned by the Pooled Money Investment Account.

The Board estimates direct costs as follows:

- Cost to any local agency or school district requiring reimbursement: no impact
- Costs or savings to any state agency: no impact
- Nondiscretionary cost or savings imposed on local agencies: no impact
- Cost or savings in federal funding to the state: no impact

Housing Costs

The Board has determined that these regulations will not affect housing costs.

Results of the Economic Impact Assessment

The operation of the Program as required under state law could have an indirect impact on the creation or elimination of jobs within the state through changes to consumption and new investment resulting from new savings by participating employees. This rulemaking does not alter existing investment options and does not introduce new ones. As a result, the Board in this rulemaking has been unable to determine reasonable indirect impacts on the creation or elimination of jobs throughout the State.

These proposed regulation amendments do impose minor costs upon representative persons and business. For more information on the exact costs, refer to the “Cost Impacts on Representative Person or Business” below. In addition to analyzing the costs on persons and businesses the Board has made the following determinations:

- **Creation or elimination of jobs in California:** no impact
- **Creation of new businesses or elimination of existing businesses in California:** no impact
- **Expansion of businesses currently doing business in California:** no impact
- **Benefits of the regulation to the health and welfare of California residents, worker safety, and the State’s environment:**

The proposed regulations stand to benefit California residents; primarily business owners and operators, as well as their employees. Additionally, the proposed regulations are anticipated to benefit the welfare of California residents as described below. The proposed regulatory changes do not concern health or medical matters and are not anticipated to result in benefits to health.

1. There are many proposed changes to improve clarity in both language and formatting making it easier for the regulated community to understand and adhere to the requirements of this program.
2. Exempt employers are more thoroughly defined making compliance among the business community easier to achieve.
3. The exemption process is enumerated in these proposed rules making the exemption process easier for employers to follow.
4. The retention of participant account settings may result in stable savings rates for participants throughout their

career and potentially better savings outcomes for employees over time. This may increase participant welfare in retirement, as well as lessen dependence on social programs for those who save more over the course of their career.

Lastly, the Board does not anticipate that the proposed regulations will result in benefits to worker safety or the State's environment.

Cost Impacts on Representative Person or Business

The Board is aware of minor costs (at a per employer level) associated with the Board's proposed exemption regulations (Title 10 CCR Section 10010). The Board estimates the total cost of the first year of compliance with these regulations to be \$646,611.84 (\$14.21 per affected employer). That cost is expected to decrease as the Board's exemptions should reduce on a year-by-year basis. For a detailed explanation about how these costs were calculated refer to the Board's Economic and Fiscal Impact Statement (STD 399) Attachment.

Business Report

The proposed regulations do not require any reports to be made by any business or other entity.

Small Business

The proposed regulations will affect small businesses. The same rationale explained in the 'Cost Impacts on Representative Person or Business' section applies to small businesses, as the regulations apply equally to small, medium, and large businesses.

The regulations do not require small business to enforce them and as such do not provide any benefit nor detriment regarding enforcement by a small business.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete

The Board has not identified any significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Specific Technologies or Equipment

None.

Technical, Theoretical, and Empirical Study, Report, or Similar Document on Which the Agency Relied

None for this rulemaking.

Contact Person

Inquiries regarding the substance of the proposed regulations described in this notice may be directed to Tristan Woolacott of the Board, at Tristan.Woolacott@treasurer.ca.gov.

Back-Up Contact Person

In the event the primary contact person listed above is unable to be contacted, inquiries regarding the proposed regulations described in this notice may be directed to Jacob Schafer, at Jacob.Schafer@treasurer.ca.gov.

Availability Statements

The Board will have the rulemaking file available for inspection online at treasurer.ca.gov/calsavers/regulations/index.asp. To request a physical inspection of the rulemaking file, please contact the contact persons identified above in the “Contact Person” section and they will schedule a time and location for the inspection.

As of the date of this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the economic and fiscal impact analysis, the initial statement of reasons, and all information upon which the proposed rulemaking is based. If the Board makes modifications which are sufficiently related to the originally proposed text, it will make the modified text, with the changes clearly indicated, available to the public for at least 15 days before the Board adopts the regulation as revised. Please send requests for copies of any modified text by contracting Tristan Woolacott at the email address or by calling the phone number listed above in the “Contact Person” section. The Board will accept written comments on the modified text for 15 days after the date on which it is made available.

Copies of this rulemaking action may be obtained by contacting Tristan Woolacott at the email address or by calling the phone number listed above in the “Contact Person” section.

Final Statement of Reasons

A copy of the final statement of reasons (when prepared) will be available upon written request by contracting the person identified above in the “Contact Person” section of this notice.

Internet Access

Materials regarding the action described in this notice (including this public notice, the text of the proposed regulations, and the initial statement of reasons) that are available via the Internet may be accessed clicking on this link treasurer.ca.gov/calsavers/regulations/index.asp and locating the regulations under the header “Regular Rulemaking (posted October 9, 2026)”.