



CALIFORNIA STATE TREASURER JOHN CHIANG

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Treasurer Chiang Calls Assembly Approval of Retirement Security Bill Historic Moment for California

SB 1234 Soon Expected to be Passed by Senate, Sent to Governor

SACRAMENTO – State Treasurer John Chiang today hailed Assembly passage of SB 1234, authored by Senate President Pro Tem Kevin de León, as a landmark achievement for Californians that will provide retirement security for millions of workers.

"Today's historic vote by the Assembly marks the biggest improvement in retirement security since the passage of Social Security in 1935. We are one step closer to providing a more comfortable retirement for generations of elderly in the decades to come," said Treasurer Chiang.

"I am proud that California is leading the nation in finding a solution to one of society's most pressing challenges -- to make sure workers have a dignified retirement."

The bill now heads to the state Senate, where it is expected to be passed and sent to the Governor next week.

"Without a secure plan, retirement for millions of hard-working Californians will remain a mirage, always on the horizon but never materializing. And their Golden Years – a time to enjoy the fruits of lifelong toil – will be fraught with financial uncertainty, poverty, and government dependency," de León said.

Treasurer Chiang chairs the [California Secure Choice Retirement Savings Investment Board](#), which in March advised lawmakers that the Secure Choice program is financially and legally viable.

Businesses with five or more employees that do not offer a pension, 401(k) plan or similar retirement program will be required to offer the Secure Choice plan. The plan enables participation through payroll contributions. However, employees will have the option to opt. The program is self-sustaining through participant fees with minimal cost to employers and no cost to taxpayers.

California's retirement plan has been endorsed by the editorial boards of newspapers across the country, including the [Los Angeles Times](#), [New York Times](#) and [The Sacramento Bee](#).

In related action, the U.S. Department of Labor today issued a final ruling clearing the way for California and other states to develop retirement savings programs without concern of being preempted by federal law.

For more news, please follow the Treasurer on Twitter at [@CalTreasurer](#), and on Facebook at [California State Treasurer's Office](#).

What others are saying about SB 1234:

"SEIU is proud to have worked alongside Senate President pro Tempore Kevin de León to advance SB 1234 to Governor Brown's desk. Our members championed this bill in the Capitol and in communities across California because every Californian who works hard over a lifetime deserves the opportunity to retire with a basic level of dignity. With Governor Brown's signature on SB 1234, California will strike a significant blow against an epidemic of senior poverty and lift up those people most at risk: our state's women, people in low-wage jobs, and people of color."

--Yvonne R. Walker, President, SEIU Local 1000

"We thank the members of the California State Assembly who joined their Senate counterparts in voting for SB 1234. We are moving one step closer to making sure the two-thirds of Californians who have been closed off to retirement savings accounts, finally get to open that door and access a simple way to build their assets over time. Secure Choice California would help make it easier for people to save and build up economic security."

--Blanca Castro, AARP California Director of Advocacy

"Despite facing a harsh economic landscape with declining wages, Millennials know the value of retirement savings and are eager to contribute to a plan. A recent poll we conducted found that over three-quarters of Millennial workers with access to an employer-sponsored retirement plan are making consistent personal contributions. Yet in California, 6.8 million private-sector employees currently lack access to employer-sponsored retirement plans, including 68 percent of Latino workers and 53 percent of African American workers. Work & Save legislation would meaningfully help set up young adults for financial security, and would be an important step in working towards a more equitable future."

Gustavo Herrera, Western Regional Director of Young Invincibles.

"For many small businesses, retirement plans are out of reach because of complicated paperwork, financial liability and high costs. Secure Choice eliminates these barriers and helps small businesses offer retirement plans to their workers without forcing them to foot the bill. This is a great step toward a more level playing field for small employers in California."

--Mark Herbert, California Director of Small Business Majority

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