



Colorado SecureSavings Annual Report April 2024



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EXECUTIVE SUMMARY

The Colorado SecureSavings Program strives to ensure all workers in the State of Colorado have the opportunity to retire with dignity.

Governor Jared Polis signed the Colorado SecureSavings Program (the “Program” or “CSSP”) into law in July 2020 to address the retirement savings crisis. Nearly half of all families in the United States have no retirement assets. Among families who are nearing retirement, four in ten households have no retirement assets. This is true in Colorado where, at the time the Colorado SecureSavings Program was created, about 40% of the workforce did not have access to a retirement savings account or program at work. The Colorado SecureSavings Program provides employers with an easy, accessible avenue to help their employees save for retirement. It is provided to employers at no cost, and with no employer fiduciary responsibility.

This report fulfills the Board’s annual statutory obligation pursuant to CRS 24-54.3-111.

The Colorado Revised Statutes require the Board to produce an annual report on or before April 1 including the following information:

“At a minimum, the report shall include statistics regarding enrollment in the program, the number of program accounts opened, the average amount employees are saving through the program, average contribution levels, a summary of common complaints or concerns about the program, and information regarding the administrative costs and fees associated with the program.”

To date over 14,000 employers have enrolled, 26,000 employers have verified they offer a retirement savings plan, and 51,814 savers have been enrolled in the Program, with over \$48 million saved. This is by far the fastest and most successful program per capita when compared to other state sponsored retirement programs across the country.

KEY PROGRAM MILESTONES SINCE OUR LAST REPORT:

- Created the only multistate partnership of state-facilitated retirement programs in the United States with the addition of the Maine Retirement Investment Trust (MERIT), and the Delaware Expanding Access for Necessary Savings (EARNs) Program.
- Contacted over 85,000 employers multiple times during 2023.
- Brought over 42,000 businesses into statutory compliance.
- Began development of a compliance framework in partnership with the Colorado Department of Labor and Employment (CDLE).
- Strengthened a statewide marketing and outreach campaign that includes in-person events, webinars, speaking engagements, panels, and earned media.
- Promoted Program through television and radio advertisements, digital platforms, print media in rural communities, as well as billboards and digital signs in strategic locations.
- Continued direct engagement with newly eligible employers in calendar year 2024.

INTRODUCTION

The CSSP is a state-facilitated automatic enrollment IRA program, designed and administered by the Colorado SecureSavings Board through the Colorado Treasury.

The Program's goal is to provide a dignified retirement by giving access to retirement savings to the nearly one million Colorado workers not currently saving through a workplace retirement plan.

Barriers and Challenges

The biggest barriers employers face to providing a retirement plan to employees include:

- The administrative complexity of retirement plans
- Financial cost of administering plans, and providing matching contributions
- Minimal incentives to provide robust benefits in industries with high employee turnover
- Anticipated low participation by employees ("savers")

The biggest challenges savers face include:

- Overestimating support offered by safety net programs, such as Social Security;
- Gaps in financial literacy;
- Lack of adequate access to financial services and financial service representatives;
- Unstable employment including multiple employers and/or frequent employment changes; and
- Do not make enough money to meet contribution minimums, or do not feel they make enough money to save for retirement.



The CSSP Board designed a Program that directly addressed the impediments and concerns expressed by employers and workers.

For employers, CSSP:

- Is provided to employers at no cost;
- Has minimal administrative burdens, and carries no fiduciary responsibility for employers

For savers:

- The Program is managed via a public/private partnership within Treasury
- Contributions flow into Roth Individual Retirement Accounts (IRA) which are portable from one job to the next
- Workers have the opportunity to save regardless of income

The CSSP Board was officially established on September 15, 2020, and hired an Executive Director in February 2021. Since that time, the CSSP Board and Treasury staff have completed the initial program design, negotiated contracts with vendors, and officially launched the Program.

Since the release of the 2023 annual report, the Program has completed its first year of implementation and is developing a compliance framework in partnership with CDLE. Additionally, the Program is preparing to conduct outreach to newly eligible employers to notify them of statutory requirements, and to ensure they either enroll in CSSP, or purchase a qualified private retirement plan.

THE PROGRAM CONSISTS OF THE FOLLOWING:



A nine-member oversight board chaired by State Treasurer Dave Young;

- An executive director
- Three professional staff dedicated to program data, communications, and outreach
- Legal counsel retained via the Colorado Department of Law to provide guidance regarding securities law and Employee Retirement Income Security Act (ERISA)
- A program administrator (Vestwell Holdings, Inc.), and two investment managers (State Street Global Advisors and BlackRock Investments LLC)

The CSSP Board has created a program which provides a high-quality retirement option available to workers in Colorado.

The CSSP Board provides oversight and stewardship of invested funds to ensure savers are supported by a robust and accountable governance structure consistent with best practices for institutional investment management.

The Program was designed as a public/private partnership. In order to best meet the needs of employers and savers, the Board established relationships with top level private partners to ensure enrollment, onboarding, and account management operate in a smooth, accessible manner. This structure provides enormous benefits to participants and taxpayers alike. Participants who lack access to a workplace retirement plan can now save for their future using some of the best tools and investment managers in the industry at a competitive price. Taxpayers can be reassured that the State has not taken on additional legal or financial liabilities in the process of implementing the Program, and now has a high quality savings opportunity accessible to all workers across the state.

TIMELINE:

March 1, 2023 - April 1, 2024

March 2023

- The first official wave of employer notices (Wave 1) were sent to employers with 50 or more employees. CSSP divided employers into three groups, or “waves,” based on the number of employees, as seen below
- Launched Colorado SecureSavings advertising, including television advertising

April 2023

- Follow-up notices sent to Wave 1 employers

May 2023

- The second wave of notices sent to employers with 15-49 employees
- Follow-up notices sent to Wave 1 employers
- Treasurer Young promoted the upcoming Summer 2023 CSSP State Tour

June 2023

- The third wave of notices sent to employers with 5-14 employees
- Follow-up notices sent to Wave 2 employers
- The CSSP Board held its Q2 Meeting

July 2023

- Follow-up notices sent to Wave 3 employers

August 2023

- Colorado and Maine entered the first-in-the-nation multistate partnership for state facilitated retirement savings: the Partnership for a Dignified Retirement

September 2023

- The CSSP Board held its Q3 Meeting
- Program staff began initial compliance review of Program data

October 2023

- Finalized sponsorship opportunities for the upcoming year, and presented Partnership Agreement to the Maine board
- Follow-up notices sent to all non-compliant employers

November 2023

- Updated the Colorado SecureSavings Program television ads
- Follow-up notices sent to all non-compliant employers

December 2023

- The Partnership for a Dignified Retirement expanded with the addition of the Delaware EARNs Program
- The CSSP Board held its Q4 meeting
- The CSSP Board reviewed and approved the 2024 Investment Policy Statement
- The CSSP Board reviewed and approved the revised marketing and outreach strategy for 2024
- Follow-up notices were sent to all non-compliant employers

February 2024

- Final pre-compliance notices were sent directly to employers who were required to take action in calendar year 2023

March 2024

- Non-compliant employers were officially identified, and Program staff continued work with the Colorado Department of Labor and Employment to update employer data

PROGRAM OVERVIEW

The statutory requirements of CSSP apply to businesses:

- Which have been in operation for two or more years, and;
- Have five or more employees

Businesses meeting these criteria are required to either sponsor a qualified private retirement plan, or register for CSSP and facilitate payroll contributions on behalf of participating savers at their business.

The Colorado SecureSavings Program provides employers with an easy, accessible avenue to help their employees save for retirement. The Program is provided to employers at no cost, and with no employer fiduciary responsibility. Employers meeting the statutory requirements for eligibility have only three legal obligations, if they do not offer a qualified private retirement plan:

1. Register their business or certify their exemption
2. Upload their employee roster, and
3. Facilitate contributions during regular payroll periods.

Colorado's private sector retirement program 'SecureSavings' portal is now open

By SAVANNAH MEHRTENS savannah.mehrtens@gmail.com
Jan 18, 2023



Registration takes the average employer less than 15 minutes to complete. Additionally, administering regular payroll contributions takes approximately five minutes. This stands in contrast to private plans, which can often require a substantial amount of business owner time and resources. These three requirements are the only legal obligations for participating employers with respect to the Program.

The CSSP platform was designed to easily integrate with major payroll platforms, reducing the amount of time employers spend administering payroll contributions. Moreover, employers may delegate payroll contributions to a third party administrator, removing the burden of administering the Program entirely from their day-to-day responsibilities.

After one year of Program operation, the change in employer behavior is positive. CSSP has initiated a structural shift that improves access for those who have traditionally lacked access to financial services while increasing demand for private financial professionals supporting their communities. The result is, and will continue to be, a statewide partnership between the Colorado Department of the Treasury and financial professionals helping workers build assets and create the financial legacies necessary to support sustainable communities. The trend is already clear as payroll provider, Gusto, reports a 45% increase in private plan adoption in calendar year 2023 in addition to those employers participating in CSSP.

Your role in three simple steps

We know that running your business is your top priority. That's why Colorado SecureSavings is easy to set up and requires only light account maintenance. The process takes just three simple steps. We'll take care of the rest, at no cost to you.

- 1 Register
- 2 Send contributions
- 3 Maintenance

Set up your ID and password, answer questions about your company and payroll process, complete payment setup, and then add your employees.

You can even invite a payroll representative to help you facilitate this process. Your payroll representative can be an admin, a teammate, or even your bookkeeper or payroll administrator.

The Program, by nature of its design, makes it easy for employees to save. If a saver works for a participating employer, they receive a program description booklet sent via email or US mail, detailing the Program, fees, how to access and manage their account, as well as information on opting out. Employees have 30 days after their employer enrolls them before funds are contributed from their paychecks.

Finally, employees can opt-out and rejoin the Program at any time. There is no special or limited enrollment period.

The SecureSavings Program is also available on a voluntary basis to individuals who fall outside the statutory requirements, such as those working for an employer with less than five employees or those who are self-employed, seasonal, or 1099 workers. These individuals can sign up for the Program by linking their bank account to their Roth IRA and then contributing regularly, similar to employees contributing via payroll.

Easily accessible on the CSSP website, savers and employers alike can find information on the administrative cost and fees of the program. Currently, CSSP utilizes a hybrid fee structure that includes a mix of dollar based fees, and asset based fees. All savers pay a dollar based fee of \$22 annually to service their accounts.

Asset based fees vary by investment choice, and can viewed in the table below:

Annualized Asset Based Fees			
Investment Option	Underlying Investment Fee	Program Administration Fee	Total Annualized Asset-Based Fee
<i>Capital Preservation</i>	0.12%	0.20%	0.32%
<i>Target Date</i>	0.09%	0.20%	0.29%
<i>Fixed Income</i>	0.025%	0.20%	0.225%
<i>International Equity</i>	0.10%	0.20%	0.30%

As implementation and ongoing administration of the Program continue, the Board, staff, and vendors are committed to evaluating and improving service delivery. We continue to operate from the idea that the goal is more savers, regardless of whether they save through CSSP or private plans.

SUMMARY OF COMMON COMPLAINTS

Consistent with the reporting requirements established in CRS 24-54.3-111, the following concerns have emerged during the initial implementation of the Program:

- **Confusion regarding exemption certification:** A number of employers with existing qualified retirement plans have contacted Treasury staff expressing concern that they did not receive an access code to certify their exemption. This confusion stemmed from the novel rollout structure of the Program in which Treasury staff utilized federal form 5500 data to identify existing retirement plans used by Colorado employers. These employers were automatically exempted in an effort to lessen employer administrative burdens.
- **Confusion regarding notice waves:** Some employers have also expressed concerns that they will need to comply with enrollment waves as displayed on coloradosecuresavings.com. Enrollment waves were developed by Treasury staff and the program administrator to motivate compliance, and manage website volume. Enrollment deadlines listed on the website are intended to segment employer groups by size of business, but enforcement fines will not be assessed before March 2024 at the earliest, in alignment with CRS 24-54.3-107(1)(i)(II).
- **Discomfort with state mandates:** Some employers have signaled discomfort with any government requirements in general. These interactions have been limited, and the statute provides employers with the option of utilizing the state program or pursuing a private retirement plan option if they fall under the statutory requirements.
- **Administrative challenges:** In a limited number of circumstances, employers struggled to navigate the process for submitting payroll contributions. This has primarily been an issue for employers submitting paper checks on behalf of employees, but there have been several instances in which employers submitting payroll data through our platform have expressed confusion and requested help. It is important to note, these issues were resolved with the support of the Program's call center, and Program staff continue to highlight resources on the "Help" page to ensure participating employers are equipped to administer contributions.



A state-sponsored retirement savings program for private sector employees who are not already participating in an employer-sponsored retirement savings plan is available, and the Colorado Livestock Association has a resource with helpful information. (Courtesy Photo)

AURORA, Colo. — Colorado has created a state-sponsored retirement savings program for private sector employees who are not already participating in an employer-sponsored retirement savings plan. The program is called the "[Colorado SecureSavings Program](#)." It permits employee payroll deductions, but does not require, or accept, employer contributions. Except for some minimal recordkeeping, the Program is intended not to create financial or administrative obligations for employers.

PROGRAM DATA

Since launching the program for enrollment in January 2023, the SecureSavings program has gathered internal data to measure the success of the outreach strategy for the program, and the program itself. Approximately a year out from launch, the program currently has 50,000 savers with their total contributions totaling over \$48 million saved.



14,332

Enrolled Employers



68,374

Open Accounts



51,814

Funded Accounts



\$194.08

Average Monthly Contributions per Saver



\$940.96

Average Funded Account Balance

Over 14,000 employers have enrolled in the Program, with another 26,000 verifying they already offer a retirement program. While there are a significant number of non-compliant employers currently identified in the data, this is to be expected, especially for the first year of a state facilitated retirement program. Due to uncertainties in the initial data, it is unclear whether some of the non-compliant businesses observed actually fall under the statutory requirements based on employee count, or if the contact information listed is correct. Program staff are making every effort to ensure businesses that fall within the statutory requirements are properly identified prior to initiating Program compliance efforts. In the year since the program has launched, we have begun to collect insights on the saver population. The average saver contributes \$194.08 on a monthly basis, and the average total account balance as of March 28th, 2024 for savers is \$940.96.

Program staff are working with the Colorado Department of Labor and Employment to build a compliance framework to ensure all businesses falling under statutory requirements provide a retirement option to their employees.

As of February 2024, there were approximately 42,000 unregistered employers.

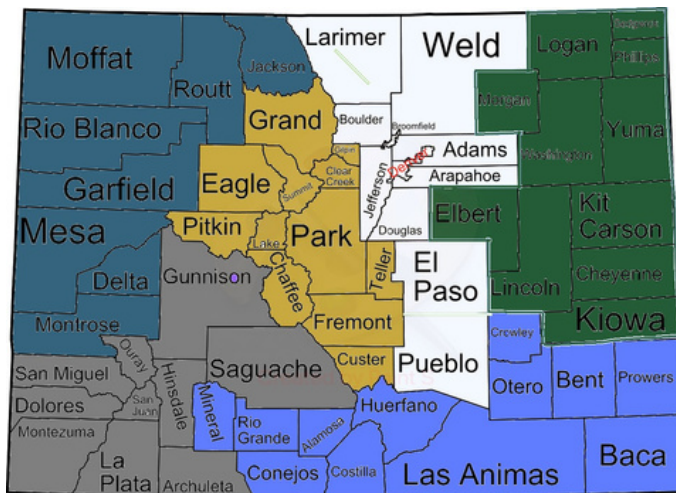
MARKETING & OUTREACH STRATEGY

The Colorado SecureSavings Program continued the formal marketing of the Program in partnership with our vendor, Vestwell Holdings LLC (“Vestwell”). Vestwell worked with Program staff to develop the strategy surrounding digital advertising, earned media, and paid media to maximize the Program budget.

The approach used over the past year included paid ad placement on digital channels as well as traditional media outlets, and earned media engagement to promote key Program milestones and deadlines. The Program also intends to utilize stakeholder outreach data to develop a newsletter with updates for interested parties.

Marketing Goals:

- Connect with Colorado residents “where they are” whether that’s geographically, or economically
- Improve financial literacy
- Advance long-term financial health of Colorado residents and communities
- Increase the number of employers facilitating retirement savings



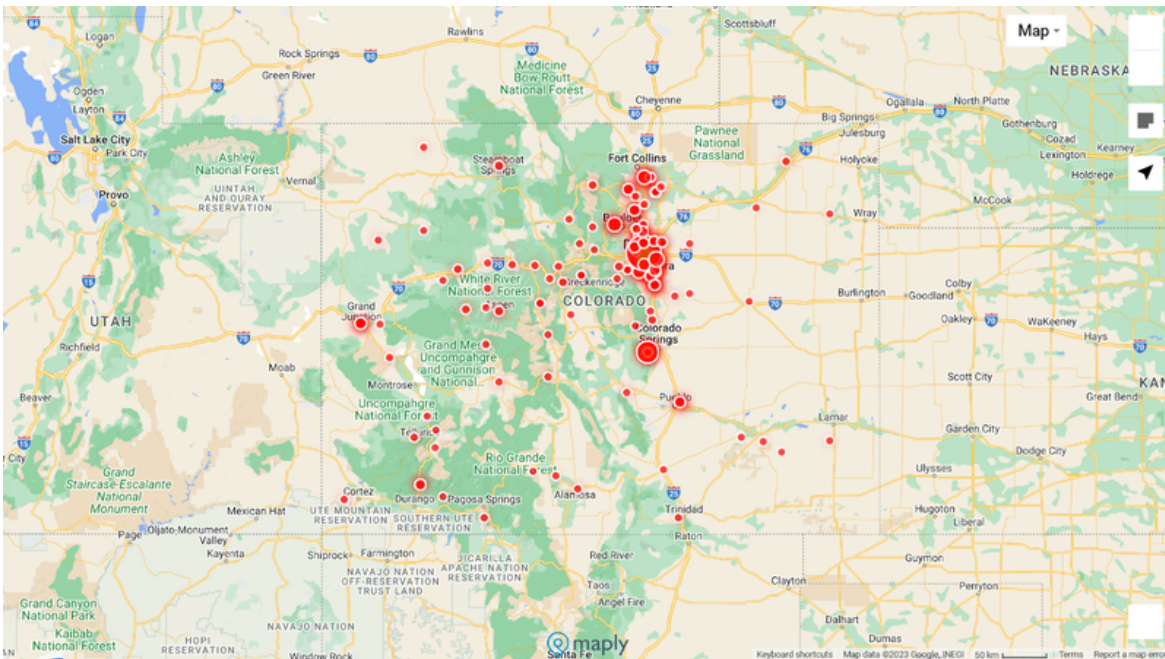
The outreach and marketing strategy for the Program used a novel approach, dividing the State into six “cultural” regions. This allowed us to tailor the central message of the program to the nuances in culture and industry for maximum efficacy. The cultural regions in Colorado as indicated on the map, above, were identified by numerous data points such as differences in median household income, density of particular age groups, and population density. Regional identification also allowed for the core message of retirement savings to interact with the various factors, such as age and income, which directly correlate with an individual’s ability to save, to promote increased program participation.

The preliminary outreach strategy was used in two ways - foremost, to conduct direct marketing and outreach to employers across the state, with the focus on geographic and cultural factors. Second, the outreach strategy was used to set up initial markers for the data - to help identify gaps, and to measure the success of initiatives such as the “Rural Outreach” road trip which was conducted by outreach staff in 2022.

Targeting data are based on compliance reports provided by Vestwell. The density and heat map above provides a visual representation of geographic areas where enrollment gaps have been identified. While still very general, the data help Program staff better prioritize geographic areas for outreach and marketing efforts. Moreover, the gaps indicate the success of the Rural Outreach road trip - that program registration was higher in those stops compared to other towns where the SecureSavings team did not visit.

The Program has focused on enrollment gaps in its analysis because these employers will need to take some form of action in the next several months to avoid enforcement penalties. Program staff have direct outreach strategies in motion to address compliance issues ahead of enforcement. Staff is able to see if the enrollment reflects proportionally to the population in the regions of the state where it is lagging.

Moving forward, as the Program considers saver engagement and financial literacy strategies, more emphasis will be placed on the analysis of currently registered and enrolled employers and savers. The Board will also evaluate what, if any, staffing needs will be required to support these efforts.



Traditional Media Goals:

- Continue the Program's relationship with the Colorado Broadcaster's Association to ensure statewide awareness to the largest possible audience
- Strategic rural ad placement to ensure CSSP awareness spreads in areas lacking adequate broadband access
- Marketing campaigns around America Saves Week, National Small Business Month, Financial Literacy Month, and National Retirement Security Month
- Leverage resources on coloradosecuresavings.com, such as the help center tools, to better inform traditional media outlets on Program accessibility, answer frequently asked questions, and reinforce the website as the primary source of Program information

Digital Media:

Digital marketing allows the Program to directly target key audiences throughout the state. Additionally, digital channels allow the Program to track metrics such as advertisement performance, providing key data that will inform future advertisement buys and strategic development.

- LinkedIn is the main professional business platform, and provides the most direct avenue for communicating directly with employers
- Social media target ads on X, formerly known as Twitter, allows targeting for demographics that fall outside of platforms, like LinkedIn
- Identify key demographic groups based on enrollment data to support filling enrollment gaps
- Develop testimonial videos for employers and savers to be hosted on coloradosecuresavings.com
- Distribute shareable content to stakeholders to support their digital engagement strategies

Moving forward, compliance data will be used to overlay more specified populations and communities that the Program will need to reach through outreach and marketing efforts. Sponsorship opportunities will provide greater Program exposure in communities around the state, and digital and traditional media channels will help spread program updates and reinforcement messaging.

THE PARTNERSHIP FOR A DIGNIFIED RETIREMENT

Pursuant to CRS 24-54.3-103.5(1)(I), the Board is authorized “to assess the feasibility of multistate or regional agreements to administer the program through shared administrative resources, and enter into those agreements if determined beneficial.”

In 2022, the CSSP Board approved a multistate partnership governance structure, and this is reflected in the Program’s vendor contracts. Since that time, Program staff has actively worked with states with smaller relative populations as potential partners. Critically, this governance arrangement emphasizes collaboration amongst partner states without increasing legal liability or costs to any program participating.

In 2023, the Program officially partnered with the states of Maine and Delaware to formally launch the Partnership for a Dignified Retirement (PDR). The launch of the PDR makes Colorado the only state in the country successfully facilitating a multistate retirement consortia for state-facilitated retirement programs.

Serving as the lead state, Colorado provides oversight over the core vendor contracts with Vestwell, State Street Global Advisors, and BlackRock Investments. Within this arrangement, partner states adopt an identical program design as CSSP, and facilitate their programs in a nearly identical manner, with cost savings to be realized as programs reach economies of scale.

This arrangement carries enormous benefits for all states participating.

Partner states are able to offer a program they could not otherwise provide due to small saver populations. Colorado is sharing best practices for program operations, as well as outreach and marketing, to ensure partners reach impacted employers and provide high quality administration of their programs.

For Colorado, as the number of partner states increases, savers will benefit from lower fees as the number of funded accounts and assets under management grow. Additionally, partner states are actively considering shared services arrangements to offset operating costs with joint program and investment consulting contracts. This will support the Program’s efforts to operate in a budget neutral manner in the coming years.

The PDR officially cements Colorado as a national leader in closing the retirement savings gap. As increased attention is given to the retirement savings crisis, Colorado is well positioned to offer solutions that close the coverage gap in cost effective ways while directly addressing the needs of employers and workers alike.

RESOURCES

These guides and resources can help to understand how Colorado SecureSavings works and the benefits it offers employers and savers.

Resources for employers:

Use this form to see the steps you'll take to set up your Colorado SecureSavings Account: [Registration checklist](#)

Employer portal help center:

Get all of your portal questions answered with step-by-step instructions, articles, and more in the Colorado SecureSavings Help Center: [Visit the portal](#)

For a walkthrough of the payroll submission process, you can [watch this webinar here](#)

Employer fact sheet:

This PDF outlines facts about the program, eligibility requirements, and the benefits of Colorado SecureSavings for you and your employees.

- [Employer fact sheet \(English\)](#)
- [Employer fact sheet \(Español\)](#)

Resources for savers:

This PDF outlines facts about the program, eligibility requirements, and the benefits of Colorado SecureSavings to you.

- [Saver fact sheet \(English\)](#)
- [Saver fact sheet \(Español\)](#)

Program forms:

Although your account was designed to be managed online, we understand that there may be times when you prefer to do things offline. Downloadable forms are just a click away.

[Program forms](#)