

Employer exemption process

1. Treasury Staff and the Program Administrator shall, prior to program's enrollment opening date of January 1, 2023 and from time to time thereafter, review Form 5500 (Annual Return/Report of Employee Benefit Plan) filings and compare with databases of Employers and Exempt Employers.
 - A. If the Program Administrator identifies an Employer as not having a current Form 5500 on file with the U.S. Department of Labor, the Program Administrator shall send written notice directing the Employer to enroll in the Program or certify its Exemption through an Acceptable Submission Method.
 - B. Within 14 days of an Employer certifying its Exempt status, the Program Administrator will provide a *Certificate of Exemption* that will be valid so long as the Employer continues to offer a Qualified Plan to some or all of its Employees or maintains fewer than five Employees.
 - C. An Employer becomes Exempt either upon the effective date of its adoption of, or participation in, a Qualified Retirement Plan or if its number of employees drops below five for a calendar year.
 - D. Employers that do not meet all elements of the definition in CRS 24.54-.3-102(3) are prohibited from enrolling in the Program
 - E. If an enrolled Employer becomes Exempt, the enrolled Employer must notify the Program Administrator within 30 days of its change in status and terminate its participation in the Program through an Acceptable Submission Method.
 - i. Employers who choose to terminate participation in the program must notify enrolled Employees at least 60 days before payroll contributions cease and provide them with information describing how to contact the Program administrator.
 - ii. Accounts will remain in the Program and enrolled employees may continue to make contributions, unless they elect to transfer or close their Accounts.

Employer enrollment process and compliance incentive grants

1. Employers that meet all of the criteria defined in C.R.S. 24-54.3-102 must enroll the Program.

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2. As soon as all of the criteria defined in C.R.S. 24-54.3-102 are met or 120 days after first Notice of Non-Compliance is sent, Employers shall enroll with the Program through one of Acceptable Submission Methods listed on the Colorado Treasury website.
3. To enroll in the program, Employers shall provide the following information to the Program Administrator via an Acceptable Submission Method:
 - A. Employer legal name and “doing business as” name, if applicable;
 - B. Federal Employer Identification Number
 - C. Colorado *Unemployment Insurance Account* Number;
 - D. Employer mailing address;
 - E. Employer physical address;
 - F. Name, title, phone number, and email address of an individual designated by the Employer as the primary contact for the Program.
 - G. Number of employees; and
 - H. Any additional information necessary for registration
4. The Program Administrator shall provide a *Notification Confirming Employer Enrollment* to the Employer within 7 days via email or USPS mail if no Employer email address is provided.
5. Multi-Party Employment Relationships.
 - A. For co-Employers defined in C.R.S. 8-70-114, the Employer shall be the Employee leasing company.
 - B. For a professional Employer organization defined in Section 7705 of Title 26 of the United States Code that enters into a contract with a Client Employer, the Employer shall be the Client Employer regardless of whether the professional Employer organization is certified pursuant to Section 7705.
6. Employers with five to twenty-five employees may apply for an incentive grant via the Treasury website after successfully uploading employee data to the Program Administrator.
 - A. Enrolled Employers shall fill out the Grant Application on the Treasury Website and submit required supporting documentation, including a copy of the Notification Confirming Employer Enrollment received from Program Administrator.
 - B. Treasury Staff will cross-check grant applications Program Administrator and will process grant payments to Employers as soon as administratively possible after the first payroll deduction cycle.

Fines for Employer noncompliance

1. Six weeks after the program start date, Treasury Staff, in partnership with Colorado Department of Labor & Employment (CDLE) and the Program Administrator, will begin making reasonable attempts to bring Employers into compliance per C.R.S. 24-54.3-107.
2. Beginning nine months after the Program’s enrollment opening date, Treasury Staff, in partnership with Colorado Department of Labor & Employment (CDLE) and the Program

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Administrator, shall begin enforcement efforts directed towards Employers that have neither enrolled in the Program nor applied for a Certificate of Exemption.

3. CDLE and Treasury Staff shall collaborate to enforce enrollment requirement.
 - A. Enforcement documents shall be delivered via email and US mail to the extent addresses are available.
 - B. Beginning October 1st, 2023 three warnings of Non-compliance will be sent to Employers. The Notices will identify the form or manner of non-compliance and provide instructions on the methods available to comply.
 - C. If the non-compliant Employer has neither enrolled in the Program nor applied for a Certificate of Exemption after 12 months, a Final Notice of Penalty Application shall be issued 30 days prior to fine deadline.
 - D. Within 60 days of the date listed on the Final Notice of Penalty Application, non-compliant Employers shall remit to CDLE annual fines described in C.R.S. 24-54.3-107

Automatic enrollment of employees

1. Within 30 days of Employer's enrollment in the Program or within 30 days following the Employee's 180th day of employment, Employer shall provide the following information to the Administrator for each Employee:
 - A. full legal name;
 - B. Social Security Number or Individual Taxpayer Identification Number;
 - C. Date of birth;
 - D. Mailing address
 - E. Physical address, if different from mailing address;
 - F. Phone number, if available;
 - G. Email address(es), if available;
 - H. Any additional information needed to complete the enrollment when the information submitted for enrollment is unclear or insufficient, or when further information is required for purposes of administering the program.
2. Enrolled Employers shall not:
 - A. Prohibit, restrict, or discourage Employee participation in the Program.
 - B. Provide enrolled Employees or Beneficiaries of deceased enrolled Employees advice or direction regarding investment choices, Contribution Rates, participation in Automatic Escalation, or any other decision about the Program.
 - C. Remit any Contributions for any Employee who opted out of the Program.
 - D. Exercise any authority, control, or responsibility regarding the Program, other than as set forth in this Section.
 - E. Contribute to an enrolled Employee's Account.
3. The Program Administrator shall deliver the Employee Information Packet to each enrolled Employee within seven business days of the enrolled Employer submitting the information

(see paragraph 1 above) to the Program Administrator. Each Employee will be automatically enrolled in the Program unless that Employee affirmatively elects to opt-out of participation (see Opt-Out section below).

4. The Program Administrator shall provide a *Notification Confirming Employee Enrollment* to the Employer within 14 days via email or USPS mail if no Employer email address is provided.
5. If the Administrator is unable to enroll an Employee, the Program Administrator shall notify the enrolled Employer within 15 days after the Program Administrator's attempt to enroll the Employee. Within the notice, the Program Administrator will provide instructions to the enrolled Employer not to remit Contributions for the Employee.

Employer withholding and remitting contributions

1. Within 30 days of the Program Administrator delivering the *Notification Confirming Employee Enrollment*, enrolled Employers shall remit each Employee's contribution within the earliest payroll period that is administratively practicable, but in no event later than 90 days after delivery of the Notification.
2. Enrolled Employers shall remit all withheld compensation to the Program Administrator as soon as administratively practicable, within fourteen days of contribution being withheld from an employee's wages.
3. Amounts withheld by the enrolled Employer shall not exceed the amount of the enrolled Employee's Compensation remaining after any payroll deductions required by law to have higher precedence, including a court order.
4. Enrolled Employees may cease making contributions to their Accounts at any time by giving notice to the Program Administrator.
 - A. After receiving notice, the program administrator shall instruct the Employer to cease payroll deductions for the participants.
 - B. Upon receiving the notice from the program administrator, the Employer shall cease payroll deductions as soon as administratively practicable, within fourteen days.
5. An individual who is both an enrolled Employer and an enrolled Employee may make Contributions to their own Account under the same terms and conditions as other enrolled Employees.

Program defaults and alternative elections

1. If an enrolled Employee has not made an alternative election as specified in this Section, the enrolled Employee shall make Contributions to the Program according to the following default elections:
 - A. At a Contribution Rate of 5% of wages as defined in C.R.S. 24-54.3-104(2b).

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- B. Have Contributions subject to Automatic Escalation whereby the Contribution Rate shall increase by an additional 1% of Compensation on each January 1 following the enrolled Employee’s enrollment, up to a maximum Contribution Rate of 8%.
- 2. Enrolled Employees who choose an alternative Contribution Rate shall have Contributions subject to Automatic Escalation unless they choose to opt out of Automatic Escalation by notifying the Administrator through one of the Acceptable Submission Methods.
- 3. An enrolled Employee who has not participated in the Program for at least six consecutive calendar months during a calendar year shall not have Contributions subject to Automatic Escalation until the January 1 that follows the next calendar year in which the enrolled Employee has at least six calendar months of participation. The Administrator shall notify the enrolled Employee of the Automatic Escalation increase at least 60 days before January 1 to provide the enrolled Employee an opportunity to opt out of Automatic Escalation.
- 4. Contributions shall be made to a Roth IRA on the Employee’s behalf.
- 5. Unless and until an Employee makes an alternative election, Contributions shall be invested in the following default investment options.
 - A. An enrolled Employee who has not made an alternative election shall have all Contributions invested in a capital preservation investment for 30 days. After those 30 days have elapsed, unless the enrolled Employee makes an alternative election, the enrolled Employee’s Contributions shall be swept into a Target Date based on the enrolled Employee’s age as described below.
 - B. The applicable Target Date Fund described in subparagraph (A) shall be determined as described in the following table:

Birth Year Range			Target Retirement Date			Fund Name
1956	to	1960	2021	to	2025	CSSP 2025 Vintage
1961	to	1965	2026	to	2030	CSSP 2030 Vintage
1966	to	1970	2031	to	2035	CSSP 2035 Vintage
1971	to	1975	2036	to	2040	CSSP 2040 Vintage
1976	to	1980	2041	to	2045	CSSP 2045 Vintage
1981	to	1985	2046	to	2050	CSSP 2050 Vintage
1986	to	1990	2051	to	2055	CSSP 2055 Vintage
1991	to	1995	2056	to	2060	CSSP 2060 Vintage
1996	to	2000	2061	to	2065	CSSP 2065 Vintage
2001	to	2005	2066	to	2070	CSSP 2070 Vintage
2006	to	2010	2071	to	2075	CSSP 2075 Vintage

- 2. At any time through one of the Acceptable Submission Methods, Enrolled Employees, enrolled Self-Employed Individuals and enrolled Independent Contractors may:
 - A. Elect a contribution rate other than the default Contribution Rate at any integer between 0% and 100% of Compensation.

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- B. Opt out of Automatic Escalation or elect an alternative Automatic Escalation percentage at any time.
- C. Elect one or more investment options for any portion of their existing balance or future contributions.
- D. Elect to re-characterize all or some of their Contributions to a Traditional IRA
- E. The alternative elections detailed in 2(A - D) above shall be implemented as soon as administratively practicable but no later than the first payroll period following 30 days after notification to the Program Administrator of the alternative election.

Minimum and maximum contribution levels

1. It shall be the responsibility of the enrolled Employee to determine whether they are eligible to make Contributions to a Roth IRA or Traditional IRA (when available) and whether the amount of their Contributions to a Roth IRA or Traditional IRA (when available) complies with the limits established under Title 26 of the United States Code.
2. A Participant may choose to rollover or transfer funds into their Account in compliance with the limits established under Title 26 of the United States Code.

Employee opt-out

1. An enrolled Employee is deemed to have read and understood the content in the Employee Information Packet if the enrolled Employee has been furnished a copy of the Employee Information Packet and has been provided an opportunity to opt out of the Program.
2. Enrolled Employees may cease making contributions to their Accounts at any time by giving notice to the Program Administrator via one of the Acceptable Submission Methods listed on the Colorado Treasury website.
3. An Enrolled Employee may opt out of the Program at any time by giving notice to the Program Administrator at least 30 days before the effective date of the Program via an Acceptable Submission Methods listed on the Colorado Treasury website.
4. After the effective date of the program, an enrolled Employee may opt out of the Program at any time via one of the Acceptable Submission Methods listed on the Colorado Treasury website.
5. Any employee who does not opt out of the Program within the 30 day period will be automatically enrolled in the Program, and a Roth IRA will be established for that Employee before the first payroll deduction is made. Each enrolled employee shall have one Account, regardless of whether the enrolled employee makes contributions from a

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single Employer or multiple Employers (simultaneously or separately throughout the employee's lifetime).

6. Employees who opt out of the Program may re-enroll at any time by providing the required enrollment information through one of the Acceptable Submission Methods listed on the Colorado Treasury website.

Non-payroll contributions

1. Non-Payroll contributions by Employees of Employers (C.R.S. 24-54.3-102(3))

- A. An enrolled employee may elect to make **recurring** *non-payroll* Contributions of at least \$10 each to his or her Account. Recurring contributions may be made weekly, twice monthly, or monthly and must be made through Electronic Fund Transfer.

- B. **Non-recurring** contributions

- i. Beginning **January 1, 2023** enrolled Employees may elect to make non-recurring non-payroll Contributions. Such Contributions may be made through Electronic Fund Transfer or by personal check to the Program Administrator and must be a minimum of \$50 each.
- ii. Beginning **April 1, 2025** non-recurring non-payroll Contributions may be made through Electronic Fund Transfer or by personal check to the Program Administrator and must be a minimum of \$10 each.

2. Non-Payroll contributions by **Self-Employed Individuals, Independent Contractors, and individuals employed by firms with four or fewer Employees**

- A. Self-Employed Individuals, Independent Contractors, and individuals employed by firms with four or fewer Employees may enroll in the Program through any of the Acceptable Submission Methods listed on the Colorado Treasury website.

- B. Enrolled Self-Employed Individuals, Independent Contractors, and individuals employed by firms with four or fewer Employees may elect to make **recurring** Contributions of at least \$10 each to his or her Account. Recurring contributions may be made weekly, twice monthly, or monthly and must be made through Electronic Fund Transfer.

- C. **Non-recurring** contributions

- i. Beginning **January 1, 2023** Self-Employed Individuals, Independent Contractors, and individuals employed by firms with four or fewer Employees may elect to make non-recurring contributions. Such Contributions may be made through Electronic Fund Transfer or by personal check to the Program Administrator and must be a minimum of \$50 each.

- ii. Beginning **January 1, 2026** non-recurring non-payroll Contributions may be made through Electronic Fund Transfer or by personal check to the Program Administrator and must be a minimum of \$10 each.

Withdrawal from Program Accounts

- A. An enrolled Employee or enrolled Self-Employed Individual may make a withdrawal of funds from his or her account at any time. Withdrawals shall be subject to any applicable State and federal income tax obligations and may be subject to penalties under the Internal Revenue Code.
- B. A participant may request a withdrawal of funds from his or her account by submitting a completed withdrawal request to the Program Administrator via one of the Acceptable Submission Methods listed on the Colorado Treasury website. This request may also be accomplished electronically or in any other form permitted by the IRS.