



# Colorado SecureSavings Annual Report April 2023



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# Colorado SecureSavings Board, Staff Contact, and Acknowledgements

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## Acknowledgements

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Anna Stevens, Colorado Department of Treasury  
Daniela Leibovici, Colorado Department of Treasury  
Sheena Kadi, Colorado Department of Treasury



# Executive Summary

The following report provides a concise overview of the Colorado SecureSavings Program (CSSP).

To date, the CSSP Board and Treasury staff have created a first-in-the-country multistate agreement, completed the Program's design, and began implementation in January 2023.

To date, 2,944 employers have enrolled, 3,183 employers have verified they offer a retirement savings plan, and 2,403 savers have been enrolled in the Program.

The CSSP was signed into law following the 2020 legislative session. The authorizing legislation, SB20-200, requires the creation and maintenance of a public oversight board tasked with designing, promoting, and implementing CSSP. Included in the statutory duties placed on the Board is an annual report to the Colorado General Assembly and Colorado Governor. This report fulfills our statutory obligations for Fiscal Year (FY) 2023 according to Section 24-54.3-111, C.R.S..

The Colorado Revised Statutes requires 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."*

## Key milestones reached in the last year include:

- Procuring Program Administration services
- Procuring Investment Management services
- Finalizing Program rules
- Finalizing Program outreach and marketing strategy
- Approval of a multistate partnership governance framework
- Successful testing of our platform via a pilot program
- Successful launch of the Colorado SecureSavings Program

# Introduction

**Welcome to Colorado SecureSavings. The easy way to save for retirement.**

Colorado SecureSavings is a new retirement savings program, created by the CSSP Board in the Colorado Department of the Treasury.

**Here in Colorado, more than 40% of private-sector workforce does not have access to a retirement savings plan at work — nearly 940,000 workers. Colorado SecureSavings was created to meet this urgent need.**

With Colorado SecureSavings, businesses can help their employees save for retirement in a convenient Roth Individual Retirement Account (IRA) that is portable - even if they change or leave their job. This new program is an easy way for employees in Colorado to save for the future.

## **Employer benefits**

- No cost for employers
- Getting started is fast and easy
- Works seamlessly with payroll process
- Stay competitive by offering access to a great employee benefit
- Requires little time and administration

## **Saver benefits**

- It's portable — the money and the account go with the saver when changing jobs
- Customizable contribution amounts to meet individual needs
- It's voluntary — stay enrolled automatically or opt out and re-enroll later
- Access to online tools and real people trained to answer questions
- Requires little time and administration



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

CSSP, as it exists within the Colorado Department of the Treasury, consists of the following:

- A nine-member oversight board that includes, and is chaired by, the State Treasurer;
- An Executive Director;
- Two professional staff dedicated to program administration and outreach;
- Outside counsel retained via the Colorado Department of Law to provide legal services relating to securities law and ERISA; and
- A program administrator (Vestwell Holdings, Inc.), and two investment managers (State Street Global Advisors and BlackRock Investments LLC)

To date, the CSSP Board has taken significant steps towards meeting its statutory requirements, providing a high-quality retirement option available to workers in Colorado.

The role of the CSSP Board will provide 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 remainder of this report provides an overview of the following areas:

- Implementation timeline
- Program overview
- Program data as required for statutory reporting
- Outreach and marketing overview
- Looking ahead



# Timeline

## April 1, 2022 - April 1, 2023

### April 2022

Completed Request for Proposal (RFP) for Program Administration Services awarded to Vestwell Holdings, Inc.

### May 2022

Contract negotiations with Vestwell Holdings, Inc. began

### June 2022

Completed RFP for Investment Management Services, awarded to State Street Global Advisors and BlackRock Investments LLC; Public rulemaking hearing held

### July 2022

Contract negotiations with State Street Global Advisors and BlackRock Investments LLC began

### August 2022

Contract with Vestwell Holdings, Inc. completed

### September 2022

Western Slope outreach road trip; Board approved outreach and marketing strategy

### October 2022

Pilot Program began; Data sharing agreement executed with Colorado Department of Labor and Employment; Contracts with State Street Global Advisors and BlackRock Investments completed; Program description completed

### November 2022

Program Website launched: coloradosecuresavings.com

### December 2022

Rules published

### January 2023

Program implementation officially began

### March 2023

Paid media campaign began

# Program Overview

**Over 1 million workers across the state - 40% of the private-sector workforce - lack access to workplace retirement savings plans. The Colorado SecureSavings Program provides a simple retirement solution to private-sector employers.**

Private sector workers, including those who work part-time, are self-employed or seasonal, now have a simple way to save for their future. This means that gig economy workers - drivers for Uber Eats, for example - will be able to plan for a dignified retirement. A self-employed graphic designer can easily enroll in an auto IRA. Ski instructors who work seasonally now have an option to save for retirement. Farm workers who are not offered a 401k option are now able to save and plan for their future.

Instead of being tied to the employer like in a traditional retirement plan, the SecureSavings Program is tied to and travels with the employee if and when they move to a different job. So, if a hairdresser moves from Greeley to Grand Junction, the retirement plan travels with them. No more messy paperwork to roll over or combine retirement plans.

This allows small and medium-sized businesses to be competitive with a broader benefits compensation package. Employers will have the option of sponsoring their own plans, or simply enrolling in the Colorado SecureSavings Program at [coloradosecuresavings.com](https://coloradosecuresavings.com).





## How does the Colorado SecureSavings Program work?

The CSSP Board prioritized designing a program that focused on easy use for employers and savers alike. The result is a platform that takes the average employer about 15 minutes to register and enroll employees, and has minimal ongoing administration.



In January 2023, employers with five or more employees, that were not identified as already offering a retirement savings plan, received an email or letter. They were notified that the Colorado SecureSavings Program was officially open for registration, and given an access code for easy registration. The notifications directed employers to our website, coloradosecuresavings.com, and provided detailed instructions on registering their business, adding employees, and additional support.

### Colorado SecureSavings Marketing Calendar 2022-2023

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MILESTONE	Pilot Launch			Full Program Launch		Wave 1 Deadline		Wave 2 Deadline	
EARNED			Pilot Promotion	Launch Promotion					Full Rollout Promotion
PAID/SOCIAL	Pre-launch social activity focused on awareness			Social activity focused on promoting registration deadline/program awareness					
				Paid digital and other advertising promoting registration deadline/program awareness					
EVENTS/OTHER	Development of program promotional assets				Identify partnership opportunities, events, and support outreach team				

Once enrolled, employees receive a program description booklet sent via email or mail, detailing the Program, fees, how to access and manage their account, as well as information on opting out. Employees have 30 days after enrollment before funds are contributed from their paychecks.

### Your role in three easy 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 quick steps. We'll take care of the rest, at no cost to you.

#### 1 Register

All Colorado business owners are now able to register for the program and begin setting up employees.

#### 2 Upload

Upload your employees' payroll information and submit your employees' savings contributions levels. 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.

#### 3 Update

Keep your employee records up to date. This includes submitting your payroll details every pay period and keeping your employees' payroll contributions and staff list up to date.

Additionally, if an employee wants to opt-out at a later date, the default account structure is a Roth IRA, so individuals can remove funds without facing a tax penalty. Finally, employees can opt-out and rejoin the Program at any time. There is no special enrollment period.

As noted, the SecureSavings Program is also available to individuals working for an employer with less than five employees, or is a self-employed, seasonal, or 1099 worker. These individuals can link their bank account to their Roth IRA and contribute regularly, just like employees contributing via payroll.

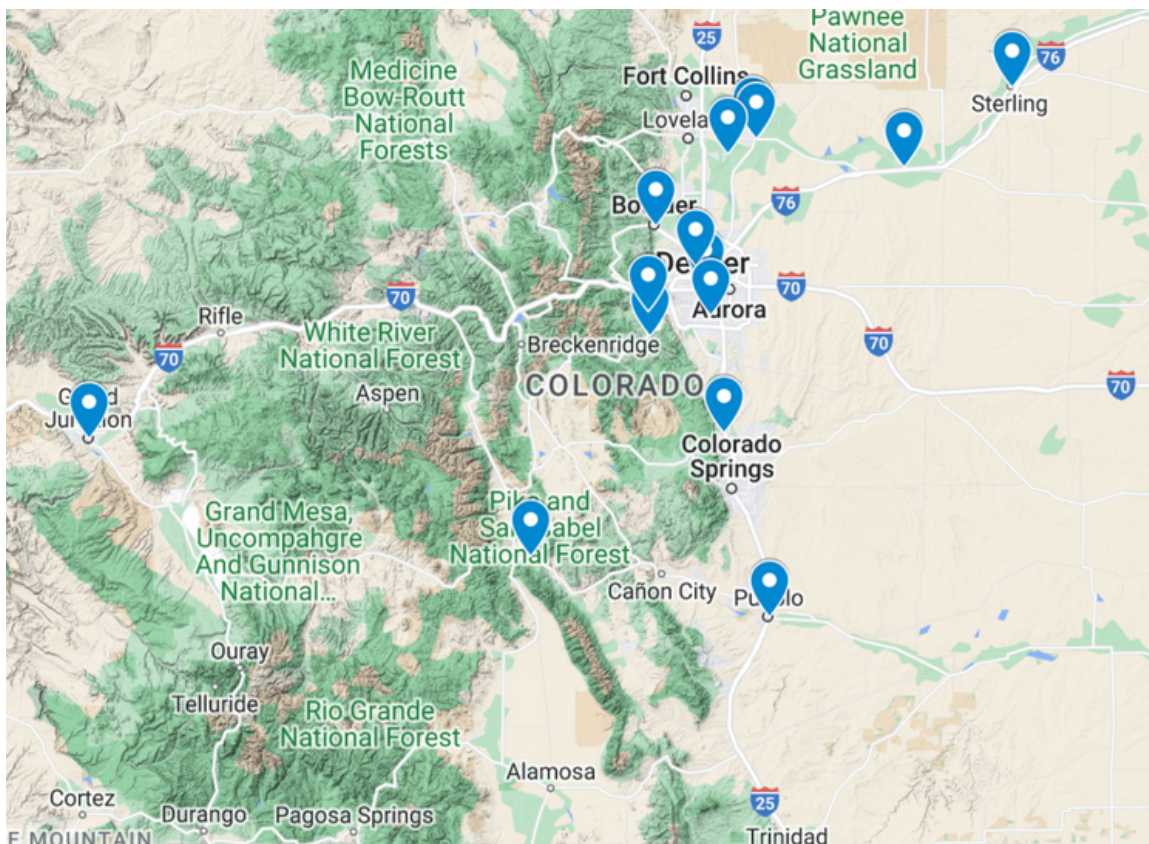
Number of employees	Registration deadline
Employers with 50 or more employees	March 15, 2023
Employers with 15 to 49 employees	May 15, 2023
Employers with 5 to 14 employees	June 30, 2023

# Pilot Program

Prior to the formal launch of the Program in January 2023, a group of employers volunteered to participate in a pilot program designed to ensure the Program platform and website functions as intended. This allowed Vestwell and Treasury staff to make adjustments prior to widespread use.

Launched in October 2022, the pilot program included over 20 employers from across the state, with a variety of industries, representing diversity in ownership, including minority-owned businesses.

The pilot program is credited with ensuring the Program website and call center has been able to successfully meet employer needs. Based on data collected during the pilot program, enrollment and registration takes no more than 15 minutes on average for employers, and call center staff have been able to quickly and accurately respond to employer inquiries.



# What pilot program participants had to say about Colorado SecureSavings:



We're a family. While we want our employees to stay with us forever, we do recognize that they'll retire at some point. And we want to make sure that they are set up for a sustainable retirement."

**Lee Woods, co-owner**  
**Wood's High Mountain Distillery**



It's free to us and easy to use.  
What more could you ask for?"

**Chris Strowmatt, General Manager**  
**BlueBonnet Restaurant**



(The system) really was pretty slick...This is a very user-friendly website, it was really easy to navigate and figure things out...Honestly this has been such a good experience, just from the administrator side which is almost never the case...This is going to be a very positive thing."

**Courtney Imhoff, HR Director**



# Marketing and Outreach Overview

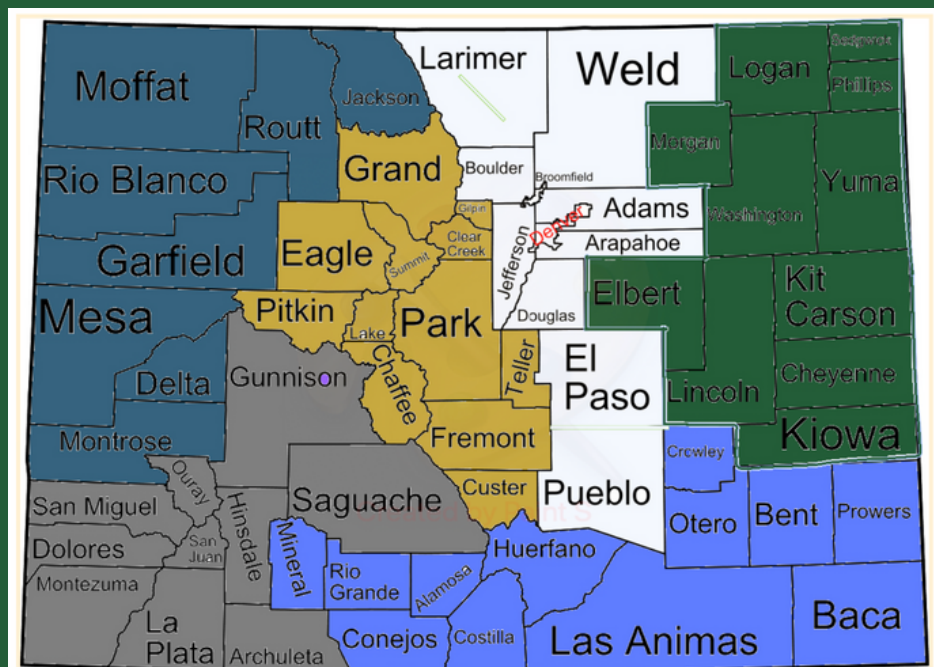
**Outreach, engagement, and marketing to employers are critical for the Program's success.**

With the guidance of the CSSP Board and the program administrator, Vestwell, Treasury staff developed a strategy to leverage both Treasury and vendor resources to ensure Program information reaches as many employers as possible. Additionally, the outreach and marketing strategy ensures compliance with the provisions established in 24-54.3-103.5(1)(k) C.R.S., requiring the CSSP Board to adopt a marketing strategy for the CSSP. The CSSP Board approved the strategy in its September 2022 meetings.

**The CSSP outreach and marketing strategy is segmented into three parts:**

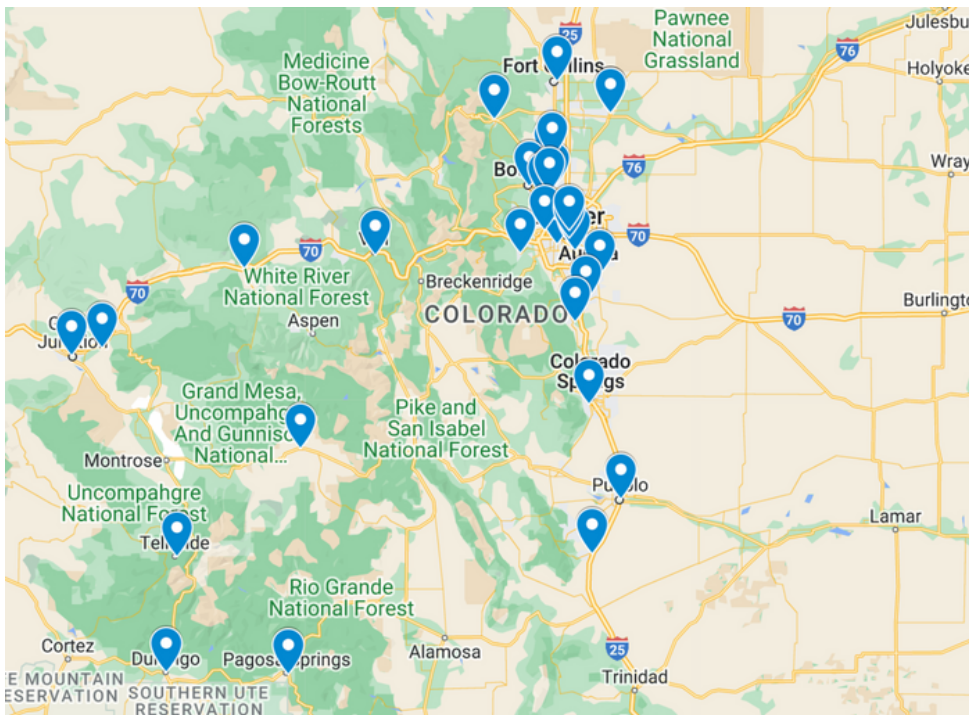
1. **Community outreach**
2. **Earned media**
3. **Paid media**

**Treasury staff utilize a regional approach to community outreach.** This approach recognizes regional nuances in industries, demographics, and community priorities and norms. Trusted organizations and messengers serve as the primary point of contact, and help Treasury staff identify the best available channels within the community for disseminating educational resources. These organizations include chambers of commerce, economic development organizations, regional Small Business Development Center offices, community nonprofits, and local elected officials, among others.





As implementation proceeds, Treasury staff will continue to refine a regionally-based approach with the goal of facilitating a collaborative mindset with partners across the state. To date, Treasury staff have participated in over 100 educational events and webinars across Colorado.



**Community outreach is paired with traditional earned media strategies to ensure information is disseminated through local media channels.** These efforts include:

- Media pitches to television, radio, newspaper, and digital media outlets;
- Op-ed's from pilot program participants;
- Press releases and press conferences highlighting key Program updates and local events;
- Creation of CSSP Facebook, LinkedIn, and Twitter accounts; and
- Development of social media campaigns.

This has proven successful when coupled with outreach staff traveling to education events outside the Denver metro area. In September 2022, the CSSP outreach team conducted a 1,100-mile road trip through the Central Mountain region and Western Slope to raise awareness for the Program. To date, Treasury staff have received 48 earned media mentions in all major media outlets in Colorado, as well as national publications and trade association newsletters.

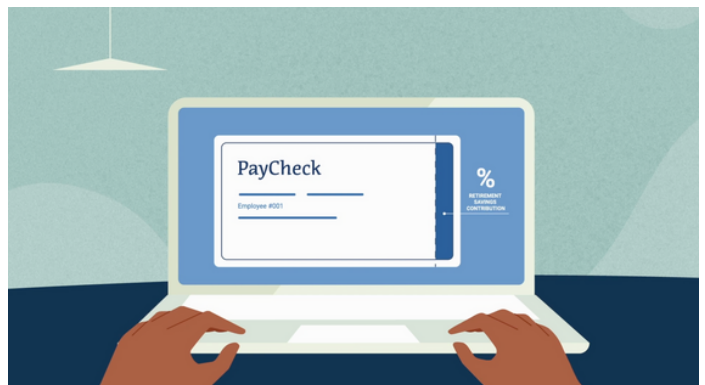
Central to the CSSP outreach and marketing efforts is the Program website, [coloradosecuresavings.com](https://coloradosecuresavings.com). The platform represents a collaborative partnership between the Colorado Department of the Treasury and Vestwell Holdings, Inc to provide a complete resource catalog of all information related to CSSP. Employers and Savers may access their profiles and accounts, integrate with their payroll systems, make investment elections, and find answers to questions relating to the Program.

Additionally, the platform provides a suite of financial literacy resources as well as contact information for our customer service center. The platform offers content in English and Spanish and serves as the key touch point for anyone engaging with the Program.

**Finally, community outreach and earned media have been structured to work in tandem with a paid media campaign that began on March 1, 2023.** A core element of CSSP paid media efforts are compliance notices sent directly to employers with access codes and information on how to register or certify exemption.

Initial notices were sent in January 2023, and waves of notices will be sent according to business size beginning March 15, 2023.

To support employer awareness, Treasury staff and Vestwell have identified paid channels to share information including social media (Facebook, LinkedIn, Twitter), traditional media in partnership with the Colorado Broadcasters Association (TV, radio, and digital), as well as digital billboards located on heavily trafficked highways outside of the Denver metro area. Additionally, animated videos were developed by Vestwell, and Treasury staff developed television and radio advertisements in English and Spanish highlighting pilot program participants.



# Summary of Common Concerns

The following have emerged as common concerns during the initial implementation of the Program:

## **Confusion regarding certification of exemption**

A number of employers have contacted Treasury staff expressing concern that they did not receive an access code to certify their exemption by having an existing qualified retirement plan. This confusion stems 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, and automatically exempt them to remove all administrative burdens for complying with the statutory requirements.

## **Confusion regarding notice waves**

Some employers have also expressed concerns that they will need to comply with enrollment waves as displayed on [coloradosecuresavings.com](https://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 until February 2024, in alignment with 24-54.3-107(i)(II) C.R.S.

## **Discomfort with state mandates**

Some employers have signaled discomfort with any government requirements on businesses or individuals. 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 qualify under the statutory requirements.



# Program Data



**2,944**

Employers Registered



**3,183**

Employers Exempt



**2,403**

Funded Accounts



**\$184.36**

Average Account Balance



**\$76.63**

Average Contribution

No fees to date.



# Looking Forward

A primary focus of the CSSP Board and Treasury staff is to continue ensuring implementation of the Program is smooth, monitoring investment performance, and continuing outreach and marketing efforts to employers and savers.

In addition, these are three areas critical to the Program's success:

## Implementation Waves

Waves of notices to employers began March 15, 2023, and will continue through 2023. As the year progresses, near-term Program success will rely on Treasury staff and Vestwell's ability to connect community outreach, earned media, and paid media with employer enrollment and exemption certification.

## Multistate Partnership

Beginning in 2021, Treasury staff started developing a multistate partnership, as authorized under 24-54.3-103.5(1)(I) C.R.S., in which Colorado facilitates administration of similar state programs via an Interstate Agreement and cooperative contract with Vestwell.

At the September 2022 CSSP Board meeting, the governance framework for a multistate arrangement was approved, and Treasury staff were authorized to pursue potential partner states moving forward.

Treasury staff are currently in conversation with several states regarding partnership agreements.

## Enforcement

CSSP provides employers with a no-cost solution for providing a retirement benefit to employees. Employers also have the option of offering their own retirement savings plan.

Failure to comply with the statutory requirements carries an annual penalty of \$100 per employee, capped at \$5,000 annually. Treasury staff will work with the Colorado Department of Labor and Employment (CDLE) to finalize an enforcement framework that will begin no earlier than February 28, 2024.

