

Colorado Department of the Treasury



Secure Savings Program Rules Draft Review
Board Meeting – March 22, 2022



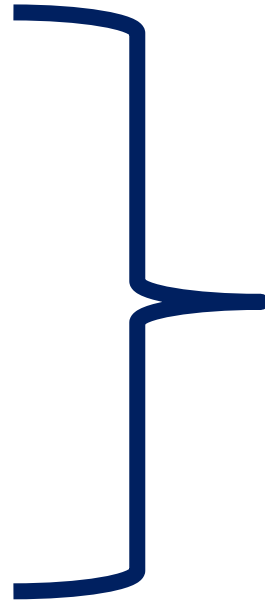
C.R.S. 24-54.3-107 Rules

Establishment of processes for:

- Employers
 - ✓ Exemption
 - ✓ Enrollment
 - ✓ Withholding of Employee contributions and remittance to Program Administrator
 - ✓ Incentive grants available for Employers with 5-25 Employees
- Employees
 - ✓ Opt-Out
 - ✓ Default option
 - ✓ Account customization
 - ✓ Withdrawal from account
- Non-payroll contributions
- Enforcement of Compliance
- Program Administrator
 - ✓ Provision of mandatory disclosures to Employers and Employees
 - ✓ Set minimum and maximum contribution levels

Guiding principles

- Simple
- Easy
- Accessible
- Efficient



Objective:
Broad participation

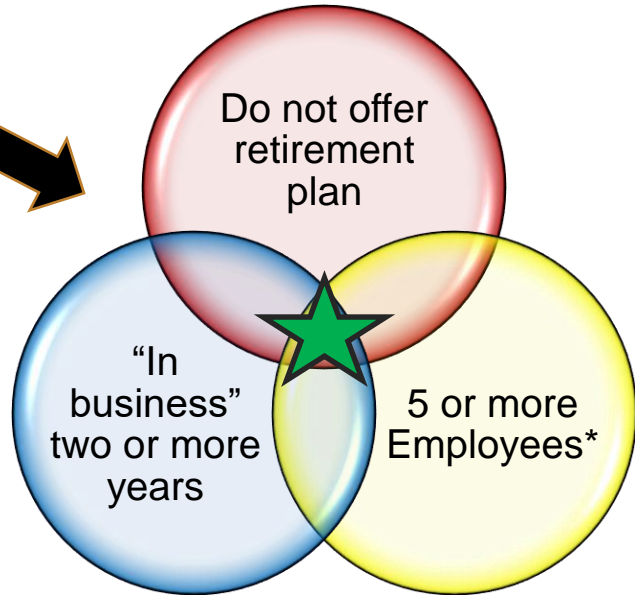
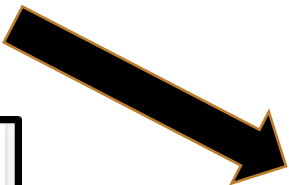
Program Administrator support

- Disseminates program information, provides guidance and support for Employers and Employees
- Experience and competency re: financial disclosures
- Personal Identity Information (“PII”) protections
- Marketing
- Data from IRS 5500

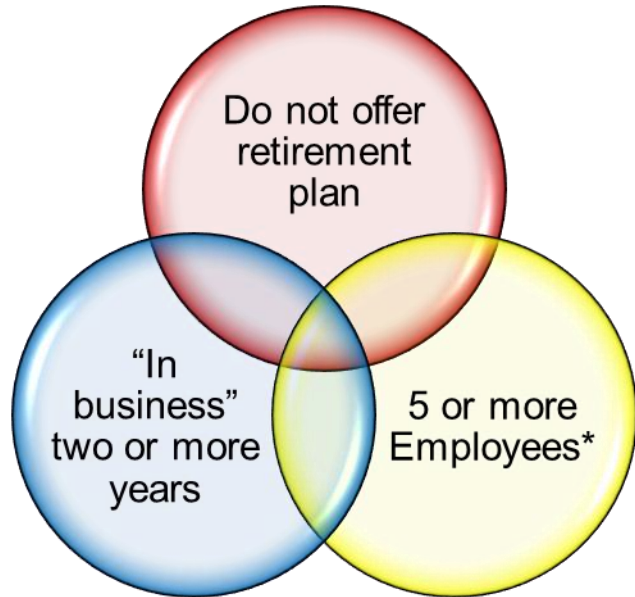
Employer Exemption

- Data (5500, CDLE, DOR, and SOS) will inform mailings and notifications

Register	Exempt
After registering you will need to add information about your employees and set up payroll.	There are a number of reasons that you may be exempt from facilitating the CalSavers program.
<input type="text" value="Federal EIN/TIN (XX-XXXXXXX)"/>	<input type="text" value="Federal EIN/TIN (XX-XXXXXXX)"/>
<input type="text" value="Access code (XXXXXX)"/>	<input type="text" value="Access code (XXXXXX)"/>
<small>Can't locate your access code?</small>	<small>Can't locate your access code?</small>
Get started	Report an exemption



Employer enrollment opens January 1, 2023



- Various *Acceptable Submission Methods* available (online, mail, phone, fax)
- Employer information required to enroll:
 1. Entity legal name and DBA
 2. Address
 3. Federal Employer Identification Number
 4. Colorado UI Account number
 5. Number of Employees
 6. Primary contact person information
- Employers with 5-25 Employees may apply for a \$300 incentive grant from Treasury

Enrollment of Employees *

- EITHER / OR

- Employers (of 5 or more) input Employee info (below)
- Self-Employed Individuals or Independent Contractors or individuals employed by small firms (2-4 Employees) input their own information

- Saver information required

1. full legal name;
2. Social Security Number or Individual Taxpayer Identification Number;
3. Date of birth;
4. Mailing address
5. Physical address, if different from mailing address;
6. Phone number, if available;
7. Email address(es), if available;

Grand opening enrollment + phased enforcement

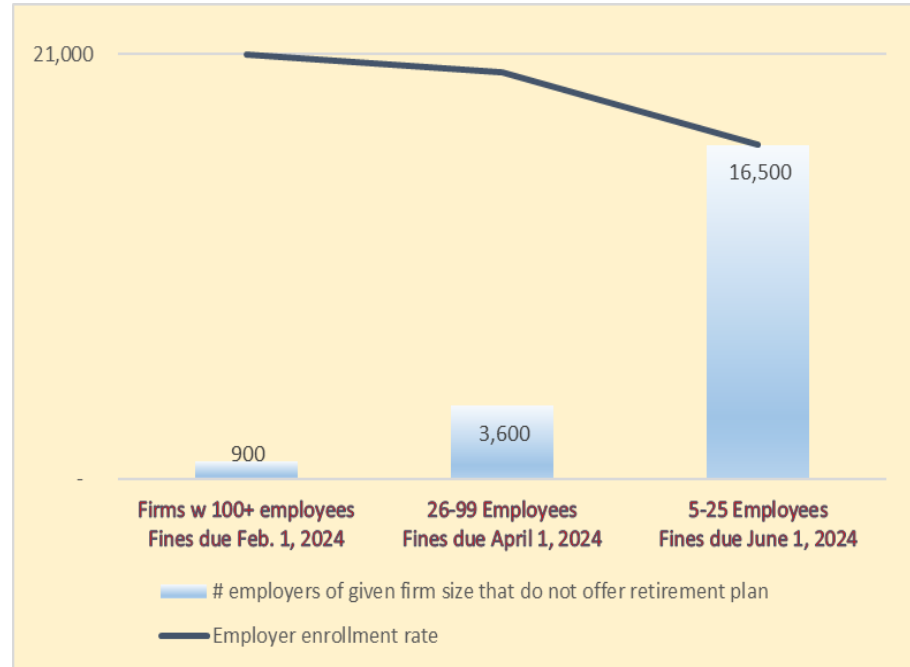
➤ Simplicity and efficiency

- Marketing
- Customer support

➤ Compliance schedule

- Four bi-monthly reminders sent between February - September, 2023
- “Warnings” / Notices of Non-Compliance sent beginning October, 2023

C.R.S. 24-54.3-107 (i.3-4): “enforcement of fines shall not begin until at least one year after the program is established. ... Employer shall not be fined until three months after the Employer has received notice of non-compliance.”



Program Defaults and Alternative Elections

50% of median income in Colorado = \$41,500

	CSSP Default Roth IRA	Traditional IRA
MONTHLY Gross Pay		
	\$3,458	\$3,458
MONTHLY Pre-Tax Deductions		
Health Insurance	\$ (250)	\$ (250)
Taxes		
Monthly Federal	\$ (346)	\$ (346)
State	\$ (97)	\$ (97)
MONTHLY NET PAY	\$ 2,766	\$ 2,766
		\$ (173)
5% of NET (Post-Tax)	\$ (138)	
ANNUAL CONTRIBUTION	\$ 1,659	
Auto Escalation		
6% year 2	\$ 1,991	
7% in year 3	\$ 2,323	
8% in year 4 and beyond	\$ 2,655	

- **Employees can opt-out or opt-in at any time**
- **DEFAULT**
 - Roth IRA
 - 5% with annual auto-escalation up to 8%
 - Capital preservation for 30 days → Target Date
- **ALTERNATIVES**
 - Increase or decrease percentage
 - Convert to Traditional IRA
 - Select investment categories (Short-term Money Market, Fixed Income, Global Equity, ESG)



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