

The CalSavers Retirement Savings Program is a new state mandated retirement plan. It is for employers who don't offer a company retirement plan. Employers who are subject to CalSavers are those with at least five employees who are over the age of 18 and have at least one employee working in the state of California. More information: www.CalSavers.com

Is CalSavers right for your company?

Many employees are not saving for retirement and look to their employer for ways to save for retirement. Provides a way for California workers to save for retirement.

Automatic payroll deduction Roth IRA savings program for employees who lack access to a workplace retirement plan.

Important Considerations

- Employees will be automatically enrolled in a Roth IRA at 5% of salary and with an annual auto-increase of 1% per year of up 8%
- Employer must enroll eligible employees within 30-days of employment and keep track of sign-up and opt-out forms.
- Employer is responsible for uploading and monitoring employee contribution amounts every pay period.
- CalSavers IRAs are subject to the same rules and regulations as other Roth IRAs which mean high-income employees and/or employees part of a high-income household will need to continuously opt-out
- Only employees will be able to contribute, no employer contributions.
- Employers must take action before compliance deadlines or penalties apply.



DEADLINES

CalSavers phases in over 3 years based on company size. Here are the employer compliance dates based on number of employees.

# OF EMPLOYEES	COMPLIANCE DATES
100+	September 30, 2020
50+	June 30, 2021
5+	June 30, 2022



PENALTIES

If you do not register for CalSavers:

- Subject to a fine of **\$250 per employee** if not enrolled within 90 days of deadlines.
- Increases by **\$500 per employee** if not enrolled within 180 days of deadline.

IS THERE ANOTHER OPTION?

ABSOLUTELY!



RETIREMENTDNA

California's new mandatory retirement plan isn't your only option. Learn how it compares to a competitive 401(k) plan.

GREATER SAVINGS POTENTIAL

	CalSavers	Traditional 401(k)*	Safe Harbor 401(k)
Employee contribution limit	\$6,000	\$19,500 / \$58,000	\$19,500 / \$58,000
Employee 50 & older limit	\$7,000	\$26,000 / \$64,500	\$26,000 / \$64,500

*Highly Compensated Employees (HCE) maximum allowable 401(k) contribution may be limited

YOUR PLAN, YOUR WAY: FLEXIBILITY TO DESIGN THE RIGHT PLAN FOR YOUR COMPANY

	CalSavers	Traditional 401(k)	Safe Harbor 401(k)
Helps employees save towards retirement	Yes	Yes	Yes
Administrative support	Minimal	TPA	TPA
Professional support	No	Yes	Yes
Distribution of plan materials	Employer	Plan provider	Plan provider
Employer tax benefits	No	Yes	Yes
Employer tax credits	No	Yes	Yes
Ability for employer match/profit share	No	Yes	Yes
Subject to non-discrimination testing	No	Yes	No
Vesting schedule	No	Yes	Yes
Loan availability	No	Yes	Yes
Enrollment requirements	30-days from employment and ongoing oversight	Flexible entry options Up to a year	Flexible entry options up to a year

To get started, let us help.



RETIREMENTDNA

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