Maryland Small Business Retirement Savings Program Board Meeting

September 27, 2018
Executive Director Report

- Office
- MSBRSP Logo
- State Plan Updates
- 2019 and 2020 Budget Discussion
- MSBRSP Major Milestones
We Have a Home!!

Maryland Small Business Retirement Savings Program
11350 McCormick Rd., EP III, Suite LL12
Hunt Valley, MD 21031
(410) 403-2782
MSBRSP Logo

Current Logo Cannot be Trademarked

New Logo

Maryland$aves

Maryland$aves
Oregon Updates

- As of 9/19/2018
  - 1,206 Employers Registered
  - 40,592 Employee Accounts
  - 73% of Employees Enrolled
  - $7.3 Million in Assets

- December 15, 2018 – Third wave of rollout for employers with 20-49 employees

- October – November: Plan opening to self-employed and employees not covered by their employer’s plan.
California Updates

- Procurement Completed
  - Hired Ascensus as Recordkeeper
  - Hired State Street as Investment Provider
- Pilot will open for registration November 15th.
- Pilot will run through June, with full statewide launch planned for July 1, 2019
- Board to vote on final regulations September 24th.
Illinois Updates

- July pilot attracted 8 employers with approximately 250 contributing employees and $50K in AUM.
- First enrollment wave scheduled for October (employers with 500+ employees)
- Administrative rules were approved by the rules committee and should be finalized by the end of September
- Plan Promotion - Half-day launch event on November 15th in partnership with AARP to highlight the program and build understanding and awareness
# FY 2019 Spending in Line with Budget

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<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Anticipated Spend</th>
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<tbody>
<tr>
<td>Total Set up Costs</td>
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<tr>
<td>Total Operations</td>
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<td>Total Payroll</td>
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<td>Total Facilities</td>
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<td>Total Office Supplies and Equipment</td>
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<td>Total Professional</td>
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<td>Unallocated</td>
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<td><strong>Total</strong></td>
<td><strong>$790,945</strong></td>
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<td><strong>Variance</strong></td>
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Maryland$aves
FY 2020 Proposed Budget

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<th>Budget Item</th>
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<td>Total Set up Costs</td>
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<td>Total Operations</td>
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<td>Total Payroll</td>
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<td>Total Facilities</td>
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<td>Total Office Supplies and Equipment</td>
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<td>Total Professional</td>
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<td>Total</td>
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## 2020 Budget and Carryover

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<thead>
<tr>
<th>FY 2018 -2019 Appropriation</th>
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<tr>
<td>FY 2018 Spends</td>
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<tr>
<td>FY 2019 Anticipated Spends</td>
<td>$764,613</td>
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<td>FY 2020 Carry Over</td>
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<td>Proposed FY 2020 Budget</td>
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<td>Additional Funds Required</td>
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MSBRSP Major Milestone Timeline

**October**

- Program Design Committee to Finalize Default Options
  - Roth vs Pre-Tax
  - Contribution
  - Auto Escalate
- Select Consultant for Recordkeeper Search

**November**

- Release Recordkeeper RFP
- Investigate Payroll Interface Opportunities
MSBRSP Major Milestone Timeline

January 2019
- Select Recordkeeper
- Start Investment Provider Search

July 2019 – August 2019
- Launch Pilot

January 2020
- Targeted Program Launch
Audit and Finance Committee Update

- August 2018 Month End Financials
- Fiscal Responsibility Recommendations
  - Approval Required
- Review of Financial Checks and Balances
Program Design Committee Meeting Updates

July 25, 2018 Meeting Discussions

- Issues in Program Design
  - Roth vs Pre-Tax
  - Administrative Fees
  - Number of Investment Options
  - Fund Management: Active, Passive, Target Date

- Committee Ideas Around Plan Design
Program Design Committee Meeting Updates

August 14, 2018 Meeting Discussions

- Roth vs Traditional IRA
- Recordkeeper Duties and Responsibilities
- Market Research Opportunities
- All Inclusive Recordkeeper Search
Program Design Committee Meeting Updates

September 18, 2018 Meeting Discussions

- Program Defaults Timeline – Decision Points
  - Roth vs Traditional
  - Contribution Amount
  - Auto Escalate

- Defaults to be Finalized at October Committee Meeting

- Recordkeeper RFP Search

- Market Research Opportunities – Pew Research Center
Pew Research Center
Market Research Opportunities

- Introduction to Payroll Provider Resources
  - How are current contributions being transmitted
  - Outstanding payroll issue’s with other SSPP’s
  - Payroll provider marketing opportunities

- SSRP Research
  - Feasibility study projections being met
  - Issues in enrollment process
  - Marketing approaches of other SSRP’s – A/B testing of messages
  - Pilot recruitment challenges
Financial Feasibility Breakeven Analysis

Maryland Employer Survey
  - Responsiveness to $300 fee waiver
  - Common payroll providers
  - Employer information platforms used and trust levels

IRA Distribution Modeling for Leakage Analysis
Questions
Open Discussion