

**Maryland\$aves**

***Maryland Small Business  
Retirement Savings Program***

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**Board Meeting**

September 27, 2018

# Executive Director Report

- Office
- MSBRSP Logo
- State Plan Updates
- 2019 and 2020 Budget Discussion
- MSBRSP Major Milestones

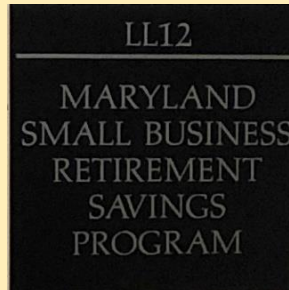
# We Have a Home!!

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**

# 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 15<sup>th</sup>.
- Pilot will run through June, with full statewide launch planned for July 1, 2019
- Board to vote on final regulations September 24<sup>th</sup>.

# 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

	Budget	Anticipated Spend
Total Set up Costs	\$100,500	\$100,500
Total Operations	\$51,056	\$51,056
Total Payroll	\$407,079	<b>\$389,747</b>
Total Facilities	\$19,960	<b>\$17,960</b>
Total Office Supplies and Equipment	\$19,450	\$19,450
Total Professional	\$92,900	<b>\$85,900</b>
Unallocated	\$100,000	\$100,000
<b>Total</b>	<b>\$790,945</b>	<b>\$764,613</b>
Variance		<b>\$26,332</b>



# FY 2020 Proposed Budget

	Budget
Total Set up Costs	\$0
Total Operations	\$207,000
Total Payroll	\$498,425
Total Facilities	\$13,344
Total Office Supplies and Equipment	\$17,400
Total Professional	<u>\$116,900</u>
Total	<b>\$853,069</b>

# 2020 Budget and Carryover

<b>FY 2018 -2019 Appropriation</b>	<b>\$1,305,000</b>
FY 2018 Spends	\$21,633
FY 2019 Anticipated Spends	<u>\$764,613</u>
FY 2020 Carry Over	\$518,754
<b>Proposed FY 2020 Budget</b>	<b>\$853,069</b>
<b>Additional Funds Required</b>	<b>\$334,315</b>

# 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
- Trust Audit Requirement - Completed for 2017 and 2018. 2019 Audit Requirement budgeted for FY 2020.

# 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

# Pew Market Research Opportunities

- 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