

Electronic Alert

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OregonSaves: The New State Retirement Savings Program

By Charlotte Hodde

OregonSaves requires all employers to provide a retirement savings option at work or enroll employees in the new state program. To comply, employers will be required to register their business through the OregonSaves Internet portal or file for exemption from the program. An employer offering a qualified employer retirement plan (e.g., a 401(k) plan) to some or all of its employees will qualify for exemption from OregonSaves.

Once an employer registers for OregonSaves, contributions are automatic. But individual employees may opt out of the state program even if their employer registers to participate. Employees enrolled in OregonSaves will contribute 5% of wages (plus an annual administrative fee not to exceed 1.05%) to a Roth IRA, unless an employee elects a different contribution level. The standard election will escalate at a rate of 1% each year until 10% is reached. The role of employers in OregonSaves will be limited to collecting and remitting contributions to the program administrator, and recording and retaining employee contribution preferences for three years. Employer contributions are not required or permitted.

A company already offering a qualified employer retirement plan must file a Certificate of Exemption or its employees will be automatically enrolled in the state program. Once filed, Certificates of Exemption will be valid for three years. An employer that offers a qualified retirement plan to some but not all of its employees is not required to register its employees not participating in its own plan with the state program. The OregonSaves website indicates that future changes to the program may allow employees not eligible for their employer's savings plan to register for OregonSaves.

Forty businesses will participate in the OregonSaves pilot program launching next month. Employers with 100 or more employees must comply starting November 15, 2017. Smaller employers have longer to show compliance: May 15, 2018 (50-99 employees); December 15, 2018 (20-49 employees); May 15, 2019 (10-19 employees); November 15, 2019 (5-9 employees); May 15, 2020 (1-4 employees). The State intends to send notices reminding employers of compliance deadlines.

Earlier this year, the future of OregonSaves was uncertain. On May 17, 2017, President Trump signed House Joint Resolution 66, blocking the Department of Labor's rule granting state-level savings programs, like OregonSaves, exemption from federal ERISA requirements. But that roll-back does not prevent states from setting up automatic savings programs. Last month, the Oregon State Treasurer issued a press [release](#) stating that Oregon will move ahead with OregonSaves.

At the July 11 Barran Liebman Breakfast Seminar, [Anthony Kuchulis](#) will discuss other key employment laws from Oregon's 2017 legislative session. Space is limited and those interested are encouraged to [register here](#) now.

