

ASSET BUILDING PROGRAM

DESIGNING CALIFORNIA'S SECURE CHOICE SAVINGS PROGRAM:

Policy Considerations for Building an Automatic and State-Based Savings Platform

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Increasing access to retirement savings plans and creating incentives for low- and moderate-income workers to participate is a cornerstone of a policy agenda that democratizes asset building opportunities. Previously, we have authored a series of policy papers, issue briefs, and published testimony about automatic IRAs, universal 401(k)s, and the role of the tax code in creating inequitable subsidies for retirement savings.¹ Earlier this year, we published an issue brief about the California Secure Choice Retirement Savings Program (Secure Choice), an innovative new initiative that would create retirement accounts for up to 6.3 million private sector workers throughout the state who currently lack access to an employer-sponsored retirement plan. This program has the potential to set an important precedent for similar state initiatives throughout the country.

In September 2013, the California Secure Choice Retirement Savings Investment Board put out a Request for Information (RFI) seeking input for implementing the program and designing its features. This paper presents our perspective on how to address the core policy issues in building an automatic and state-based savings platform. The RFI posed a series of questions whose answers could inform the policy design process. The questions, highlighted below, were grouped around discrete topics, including plan structure, investment options, plan design, and cost and fees. We have used these topics to organize our paper.

Plan Structure

What type of plan structure would you recommend to best meet the statutory goals and objectives for the Program, which include simplicity, ease of administration for employers, preservation of principal and portability of benefits (e.g., a pooled fund with guaranteed interest credited to individual accounts on a regular basis that utilizes a gain and loss reserve? Individually held IRA-type accounts with a variety of funds from which participants could choose? Something else altogether?)

Secure Choice presents some unique challenges for structure and administration due to both its ambitious size

¹ Calabrese (2011); Cramer et al. (2012).

and the likelihood that many enrollees' accounts will have a low balance (at least initially). To keep costs low and promote efficiency, the program should leverage economies of scale by pooling workers' contributions, select a single plan with limited investment options, and contract for professional investment management of the collective funds, as envisioned by SB 1234. Furthermore, to preserve portability and create effective "career accounts," a central clearinghouse should receive the payroll deposits and maintain at least a notional account for every worker in the system.

In a traditional 401(k), an employer chooses among IRA providers on behalf of its employees. There are several reasons why this model would not be advantageous for Secure Choice.

First, it would significantly hamper the program's objective of portability. Accounts that are tied to an employer, rather than managed through a centralized structure, are more vulnerable to "leakage" and abandonment, and typically have higher transaction costs. Australia provides a telling example. While Australia's unique retirement system has been very effective due to automatic, required contributions, its industry-based structure has diminished its success: as of 2008, there were 6.4 million lost or abandoned accounts with nearly \$13 billion held by financial institutions.² Consequently, in 2011, Australia implemented a reform to streamline account reporting through a central clearinghouse that will track each worker's accounts by Tax File Number (equivalent to a U.S. Social Security number). This reform should also reduce leakage; assets that accumulate automatically from one job to another through a clearinghouse mechanism would be less susceptible to withdrawals during a career change.

Second, an employer-based structure could result in an inequitable market segmentation, as the larger, lower-cost mutual fund complexes focus on marketing to primarily larger employers with above-average wage workers. These

will be the more profitable accounts and will tend to have a lower cost structure as a percentage of assets under management.

Instead, the Secure Choice Investment Board should select a single plan provider (similar to the model used by the Federal Thrift Savings Plan and TIAA-CREF, discussed below) and contract out investment management to a private financial institution. Selecting only one provider will allow for the greatest economies of scale, maximizing group purchasing power and minimizing administrative costs. However, if the Board determines that there should be a choice among competing private IRA providers, that choice should be made by the individual worker rather than the employer. After all, the worker's participation in Secure Choice is premised on the fact that their employer chose not to sponsor a retirement plan. Furthermore, since an employer would not be liable for the plan's performance, its due diligence in selecting a provider – and even its motivations – could be suspect, such as basing it on personal relationships or other quid pro quos that could be outlawed but nearly impossible to identify or enforce in this context.

Furthermore, any choice among providers should ideally become available only after a worker's account has reached an asset level that makes it profitable to a private firm. At that point the individual can decide to roll all – or a portion – of assets to a qualified Secure Choice provider, and Secure Choice could maintain an investment clearinghouse for that purpose. Regardless, the same streamlined, low-cost model should be a condition for any Secure Choice IRA provider. This would prevent providers from competing on the basis of offering more exotic or expensive investment options that would actually be a disservice to the vast majority of workers, who also are unlikely to understand the true risk profiles and cost-benefit trade-offs. Turning to investment options, to maintain simplicity and ease of administration, enrollees should have a choice among only a limited number of funds. Restricting these choices to those contracted through the state will also

² Calabrese (2011).

support portability, since a worker’s account and investment options will not change as they move from one employer to the next.

The Thrift Savings Program (TSP), the retirement savings program for federal employees, should be closely examined as a useful model. The experience of the TSP is an appropriate reference model because it currently manages accounts for over 4.3 million active and retired federal employees and has a similar set of services as would be required by Secure Choice. The economies of scale that the TSP has achieved help it keep its administrative costs low. Additional factors in minimizing administrative costs include providing relatively restricted access to the account and account information, limiting investment options, and restricting the ability to change investment choices compared to private sector mutual fund companies. The size of the overall investment pool has enabled the TSP to negotiate a low investment management fee with its private sector investment manager compared to other types of accounts.³

Participants in the TSP can choose among a short list of funds, ranging from the “G” Fund, which invests solely in government securities and guarantees the principal, to the “I” Fund, which invests in a range of international stocks and carries the greatest degree of risk.⁴ Average annual returns for the G Fund have been 3.6% over the previous ten years, compared to 8.4% in the I Fund. Including an option for a guaranteed return, either secured by private insurance or similar to the TSP’s “G” fund, would fulfill Secure Choice’s objective of safeguarding the principal. However, the additional choices would give workers the option of potentially increasing their returns or better matching their risk-reward profiles. Importantly, these options should be accompanied by adequate information and education regarding the varying levels of risk that come from increased market exposure.

³ Cramer (2006).

⁴ Thrift Savings Plan, Fund Comparison Matrix.

A similar model that may be examined in the study is TIAA-CREF, the college and non-profit education retirement fund system. Consistent with the objectives of SB 1234, CREF was developed to provide retirement account portability and pooled professional asset management for college professors and other personnel as they moved between jobs. Although the TSP’s more simplified range of investment choice seems most appropriate for Secure Choice, at least initially, CREF provides another successful example of a relatively low-cost means of ensuring “career account” portability to workers even as they move between employers.

Investment Options

One of the shortcomings of the shift from defined benefit plans to defined contributions plans is that the responsibility for all investment decisions has fallen to individual workers, most of whom lack the professional financial expertise to effectively navigate the complex set of choices required. This feature exposes many workers to undue risk and makes it more difficult to build an adequate savings balance. A better system would establish appropriate default features, derived from principles of behavioral economics, that would set workers up for success even if they take no action. These features include automatic enrollment into an appropriate fund, automatic escalation of contributions, and distribution options that encourage a lifetime stream of income.

If you recommend more than one investment option, what would you recommend as the “default,” or automatic, option that would be chosen for participants who do not make an affirmative decision?

If Secure Choice participants have a range of investment options, the default should be a life-cycle/Target Date fund, or any option that similarly maintains an age-appropriate allocation of equities and fixed-income investments at low cost (e.g., via market index funds). More specifically, index funds or exchange-traded funds (ETFs), most of which are passively managed, have several advantages over actively

managed funds that would enable Secure Choice to limit costs and promote efficiency. Compared to traditional mutual funds, ETFs generally have low annual fees as a result of the lower costs entailed by passive investing and these low fees can yield significantly higher balances for investors.

Would you recommend including any insured interest or insured income products? Why or why not? What are the advantages and disadvantages of these products in terms of performance, risks, cost and transparency?

A unique feature of Secure Choice as envisioned by SB 1234 is its provision of a guaranteed return. The goal of this feature is to ensure that workers' retirement security is not put at risk by the timing of macroeconomic shifts. The recession underscored the fragility of 401(k) balances, though many have now recovered to pre-recession levels. However, for those workers who were nearing retirement when the economic crisis hit, the damage to their retirement accounts will have much more lasting consequences.

Indeed, though protecting the principal is always a valid concern, it is particularly important for older workers. The greatest risk of permanent loss in a defined contribution plan is taking a lump sum payout during or after a downturn in the market cycle. For younger workers, it may not be worth the cost to guarantee a positive investment return on a year-in, year-out basis.⁵ The appropriate "risk" to insure against is a large loss close to retirement. The feasibility study should thus explore guarantees that could effectively (a) protect at least nominal principal, and (b) "smooth" returns over the final years before the target retirement age.

Would you recommend the Program provide a lifelong stream of guaranteed income? If so, how would you convert retirement savings into a lifelong retirement

⁵ For an analysis of the feasibility of a guaranteed return backed by private insurance, see Rhee and Stubbs (August 2012).

income stream, and what investment product would you recommend to accomplish this objective?

As life expectancy rises and Americans are spending more years in retirement, it's increasingly important that their retirement savings are designed to last. A recent survey from the Society of Actuaries found that more than half of respondents, all retirees or near-retirees, underestimated their life expectancy.⁶ At the same time, many Americans underestimate how much they will need saved up to maintain their quality of life in retirement.

However, despite these risks, annuities that guarantee consistent payments throughout retirement remain unpopular among retirees. The Retirement Security Project ("RSP"), an initiative of the Brookings Institution, has found that retirees are especially reluctant to choose annuitization where it is presented as a momentous "all or nothing" or "now or never" decision.⁷ Consequently, simply establishing annuitization as the default method of distribution is not a comprehensive or sufficiently effective solution to longevity risk. For example, in cash balance plans, despite a legal obligation to establish a lifetime annuity as the default, the "vast majority" of participants opt out to receive a lump sum instead.⁸

In light of these findings, a combination of a trial annuity and partial annuitization may be the most promising default option.⁹ This arrangement would give any retiree who does not opt out a familiarity with fixed monthly income payments without locking them in. RSP has proposed that a substantial portion of assets in 401(k)-type plans "be automatically directed (defaulted) into a two-year trial income product when retirees take distributions from their plan, unless they affirmatively choose not to participate." At the end of the trial period, retirees could choose among several options—including opting for a

⁶ Society of Actuaries (2012).

⁷ Iwry and Turner (2009).

⁸ Iwry and Turner (2009).

⁹ Calabrese (2011).

lump sum, or annuitization of all or just a portion of their nest egg. If they made no choice they would default into a permanent income distribution plan. “This would put inertia to work on behalf of the income stream rather than on behalf of the lump sum,” according to the RSP proposal. A similar trial annuity could be the default option for Secure Choice assets as well, giving individuals who did not opt out the longevity insurance traditionally associated with a defined benefit plan.

Plan Design and Features

Many of the workers Secure Choice seeks to reach are in low-wage jobs; only 22% of California’s workers in the lowest income quartile currently have access to a workplace retirement plan.¹⁰ Designing a retirement savings plan for lower-income workers requires a careful calibration between enabling these workers to accumulate adequate savings for the future and allowing them to maintain sufficient liquidity in the present.

One of the shortcomings of the current defined contribution model is the high rate of early withdrawals, which has been exacerbated by the recession and is particularly prevalent among lower-income households. A recent study from Hello Wallet found that more than one in four American workers with a defined contribution retirement account has used it to pay for current expenses, incurring significant fees and tax penalties in the process.¹¹ Lower-income workers are particularly at risk; according to the study, 30 percent of households earning less than \$50,000 a year had cashed out a retirement plan for purposes like paying a mortgage or credit card debt. Meanwhile, 26 percent of U.S. households were considered “asset poor” in 2010, meaning they lacked sufficient resources to live at the poverty level for three months in the absence of income.¹²

To avoid these pitfalls, Secure Choice should prioritize both establishing appropriate defaults for retirement deferrals and, if possible, simultaneously supporting workers’ shorter-term savings, whether as part of the initial rollout or as a future addition. This could take the form of a non-tax-qualified “sidecar account” (described further below) that gives workers the same advantages of automatic payroll withholding, and pooled, low-cost, professional investment management.

Secure Choice should also provide for voluntary employer contributions to support workers in developing adequate savings and recalibrate retirement security as a shared rather than strictly individual responsibility. If employer contributions are permitted and can be accommodated in a manner that does not create an ERISA plan, then Secure Choice should require that any contributions be made either as a flat dollar amount, or as an equal percentage of wage income, for every employee who is eligible and does not opt out of Secure Choice. This requirement would preempt employer discretion to contribute at different rates for different classes of employees.

What would you recommend as the automatic, or “default,” contribution level for participants who do not opt out, but who do not make an affirmative decision to contribute at a higher rate than the default rate?

In 2012, the average employee contribution to a 401(k) was 6.7 percent of pay, though 53 percent contributed 5 percent or less.¹³ A survey of Vanguard’s DC plans in 2013 revealed that 68 percent of workplace plans with automatic enrollment chose a default contribution rate of 3 percent or below, while only 12 percent selected 6 percent or more.¹⁴ Some researchers attribute lower average contribution rates in recent years to the popularity of automatic enrollment, which has increased participation, but often sets artificially low default deferral rates.

¹⁰ Rhee (2012).

¹¹ Fellowes and Willemin (2012).

¹² Corporation for Enterprise Development (2012).

¹³ Copeland (2013).

¹⁴ Utkus and Young (2013).

If we intend the “default” rate to be interpreted by participants as expert advice about smart savings behavior, then a 6 percent default rate would seem minimal. Most retirement experts recommend eventually saving between 12 to 15 percent of income (including employer contributions) to achieve adequate retirement savings. Furthermore, at least one study has shown that increasing the default contribution rate from 3 percent to 6 percent has a negligible impact on participation (though it should be noted that this model assumed employer contributions as an incentive).¹⁵ Finally, it’s worth noting that automatically escalating to a higher default contribution rate would have little if any downside since a participant can always choose to reduce their contribution rate to 3 percent or below if the default threshold is higher.

However, the study that found no participation difference between 3 percent and 6 percent contributions did not take into account participants’ income. Furthermore, even if the impact of this increase on participation is minimal, for those participants with especially low incomes, it is important to keep in mind the impact on liquidity and ability to pay for everyday expenses. Finally, a low initial default is less problematic if there is a strong automatic escalation policy in place, as discussed in the next question. Given these constraints and considerations, maintaining a 3 to 4 percent default contribution rate, coupled with automatic escalation, may be the ideal default for supporting participants’ savings accumulation while being mindful of their other financial needs.

What options, if any, would you recommend for an automatic escalation feature that increases participants’ contributions over time?

Automatic escalation is a very important feature for ensuring that workers accumulate sufficient balances by retirement. While automatic enrollment takes advantage of inertia for workers’ benefit, inertia can weigh against these same workers if there is no mechanism to increase their

contributions over time. As noted, most plans begin with default deferrals of 3% at most; if unchanged over time, this contribution level will be insufficient to adequately replace income at retirement. Meanwhile, a 2007 study from the Employee Benefit Research Institute (EBRI) found that automatic escalation would likely increase overall 401(k) accumulations between 11 and 28 percent for participants in the lowest-income quartile.¹⁶

There are three design questions that are foundational to an automatic escalation policy: how often contributions should be increased, by how much, and until when. A 2010 study from EBRI found that the probability that a worker in the lowest income quartile will achieve a combined income replacement rate of at least 80 percent increases from 46 percent to 79 percent where four factors are present: 1) maximum employee contributions are increased from 6 percent to 15 percent; 2) the annual increase in contributions is 2 percent rather than 1 percent; 3) the employee does not opt out of automatic escalation; and 4) the employee maintains his previous contribution level when moving from one job to the next.¹⁷ The report also isolates the effects of each factor on the probability of attaining the 80 percent replacement rate measure of success. Increasing the limit on employee contributions to 15 percent has by far the greatest effect, and boosts the likelihood of success for those in the lowest income quintile by 16.4 percent. Increasing the rate of escalation from 1 percent to 2 percent only boosts likelihood of success by 1.3 percent.

These findings would suggest, first, that establishing automatic enrollment and enabling a generous maximum employee contribution should be a priority for Secure Choice. The feasibility study should further evaluate what precise maximum threshold would help lower-income workers accumulate sufficient savings without deterring participation. These maximum savings levels, however,

¹⁶ VanDerhei (2007).

¹⁷ VanDerhei and Lucas (2010).

¹⁵ Beshears, et al (2006).

could likely exceed the current IRA contribution limits for many workers (in 2013, \$5500 or \$6500 for those over age 60), which appear to be the limits envisioned by SB 1234.¹⁸

Second, the difference between a 1 percent or 2 percent annual increase appears to be of less consequence. Given the low incomes of many of the Californians Secure Choice is designed to reach, a yearly increase of 1 percent may be the better option for helping workers gradually increase their savings without counterproductive restrictions on liquidity or significant long-term consequences for accumulation. Alternatively, it may even be worth considering a half percent yearly increase, particularly for some of the youngest participants who have more time to develop an adequate balance. A 1 percent increase would mirror the policies of approximately two-thirds of the DC plans that currently feature automatic escalation.

Finally, some retirement plans have an automatic escalation policy that increases with each pay raise, rather than necessarily each year. From an administrative simplicity perspective, it would likely be easier to increase all participants' contributions on an annual basis up to a maximum percentage deemed unlikely to push workers to opt out completely.

Are there any other plan design features that should be included (or eliminated) to ensure the plan meets the goals and objectives of the Program? Please explain.

Although Secure Choice as envisioned would enable the vast majority of private employees to qualify for the plan, some are left out. In particular, workers employed by the smallest firms, as well as those who are self-employed, may have more difficulty accessing the program because their workplaces are not required to participate.¹⁹ Importantly, the group most likely to be self-employed is men aged 55-

64, who are rapidly nearing retirement.²⁰ SB 1234 provides the Investment Board with the authority to develop procedures for enrolling these workers in the plan.²¹ Implementing these policies and assessing how to educate these lower-access workers about their eligibility and the benefits of participation will be of particular importance, since they will not benefit from the same default enrollment mechanism as employees at larger firms.

For example, in lieu of automatic payroll deduction, Secure Choice should at a minimum facilitate automatic monthly (or bimonthly) contributions by automatic bank account debit. Secure Choice could also request that the state facilitate contributions as an add-on to quarterly tax filings by the self-employed – or by anyone with self-employment income.

Similarly, maintaining at least a notional account for every individual who is ever enrolled, by Social Security or Individual Taxpayer Identification Number (ITIN), would further support workers who spend some portion of their working lives self-employed or engaging in contract work. Even if a worker initially enters Secure Choice as a payroll employee, upon moving to an independent work arrangement, they will have an account already established where contributions can flow – and without the need to transfer it from a former employer's financial institution to Secure Choice.

What plan design elements would you recommend to minimize pre-retirement "leakage"?

As noted above, many workers who are currently taking loans or withdrawals from their retirement accounts are doing so to pay for current or ongoing expenses. Establishing hardship criteria for taking withdrawals is an important practice for deterring this type of "leakage" if workers have other options. Some 401(k) and 403(b) plans

¹⁸ The California Secure Choice Retirement Act, Title 21, Sec. 100010 (a) (ii).

¹⁹ See Calabrese (2011) for a discussion of how inadequate access by self-employed, part-time and small firm workers is a recurring issue in Auto-IRA proposals.

²⁰ Schultz (2012).

²¹ The California Secure Choice Retirement Act, Title 21, Sec 100012 (l).

only permit pre-retirement withdrawals in cases of severe financial distress, and subject these so-called “hardship withdrawals” to both income taxes and a 10% penalty. These plans often offer loans, however; as of 2010, 13% of workers with a defined contribution plan had an outstanding loan.²² Current IRA rules, by contrast, do not allow loans, but also do not restrict withdrawals at any time. However, pre-retirement withdrawals are subject to the same 10% tax penalty unless they are made for a limited number of productive or hardship-oriented purposes.²³

Restrictions modeled on the current IRA rules may be an appropriate structure for Secure Choice. The IRA rules deter early withdrawals and ban loans altogether, but do not subject workers to the additional 10% penalty if they are facing a true financial crisis. Furthermore, following the IRA rules would reinforce that Secure Choice is not an ERISA plan. However, hardship provisions alone are insufficient. Without some mechanism to support shorter-term, flexible use savings by these workers, it is virtually inevitable that high rates of withdrawals will persist (and/or some workers will opt out of the program due to concerns about meeting their more immediate needs).

It is worth considering how the momentum behind Secure Choice could be used to simultaneously support shorter-term savings. Two existing proposals offer examples of how such a mechanism could operate. First, New America has previously written about a pilot program called AutoSave, through which employers automatically divert a small portion of workers’ post-tax earnings into a flexible use savings account.²⁴ This initiative provides an example of how the same payroll deduction process can facilitate a non-retirement sidecar savings account with few if any restrictions on withdrawals. AutoSave is predicated on three principles: 1) working households require non-restricted savings accounts to cover unanticipated expenses; 2) as in the retirement context, instituting an appropriate default

will improve savings; and 3) employers are uniquely positioned to facilitate a savings mechanism due to their existing infrastructure (i.e. direct deposit and payroll deductions). Though AutoSave has yet to move past the pilot phase, initial evaluations offer some important considerations for how to design a short-term savings structure that could align with an initiative like Secure Choice.

Second, in the UK, “corporate platform” accounts “allo[w] employees to use the employer’s retirement savings mechanism to save and invest for additional nonretirement purposes.”²⁵ Beyond facilitating emergency and short-term savings, this arrangement increases efficiency and enables workers to access an overview of their entire financial status in one place. Moreover, the platform can be customized for individual workers based on age and income, and coupled with financial literacy trainings provided through a range of technologies and communication methods.

These two examples demonstrate how employers can use a singular infrastructure to recognize and support workers’ range of savings needs, thus increasing their financial stability and making it more likely they can preserve their retirement savings for retirement.

Costs and Fees

At least initially, Secure Choice should receive and invest all contributions by participating individuals, much as TSP does, by contracting investment management out to private financial firms on a bid basis. This pooled approach, by quickly achieving scale economies, ensures that fees are low and uniform, whether workers are able to save a little or a lot. This approach is particularly critical for low-dollar accounts, such as those of young people and low-income workers, which effectively need to be cross-subsidized until they reach a certain asset level. The feasibility analysis should assess whether – once an account reaches a certain size – the individual workers can choose to roll out all or a portion of the assets to another qualified and competing

²² Fellowes (2012).

²³ 26 USC §72(t)(2).

²⁴ Lopez-Fernandini and Schultz (2010).

²⁵ John (2012).

Secure Choice IRA provider. Secure Choice could maintain a clearinghouse, or exchange, of standardized information on these choices.

How would you recommend the Board ensure transparency of fee and expense information available to the Board and Secure Choice participants including transparency of service providers' relationships or potential conflicts that may increase costs and/or conflict with the interests of plan participants?

Consistent Secure Choice standards should be enforced across all providers, including those that participate in the proposed clearinghouse. These standards should include the calculation of fees as a flat percentage of assets, regardless of overall account size. This fee ratio could vary based on asset allocation category (e.g., a stock index fund could be higher than a government bond or short-term fixed-income fund), but Secure Choice will want to avoid a situation where low-asset accounts pay a higher fee as a percentage of assets – and therefore yield a lower average return on investment, net of expenses, than high-asset accounts. Additionally, at minimum, all fees should be disclosed to the public online in a simple, standardized format.

A *retirement investments clearinghouse* could provide workers who have developed a significant balance an informed option to roll over their accounts to a different IRA provider. By requiring or encouraging a specified minimum level of assets before workers can make this choice, Secure Choice would ensure that sufficient assets remain under collective management to achieve economies of scale and keep costs low. Again, this choice among IRA providers should only be available to workers rather than their employers. The employer's burden can be minimized best by requiring that all contributions be forwarded initially to the central Secure Choice clearinghouse and redirected from there to the default account or outside

account selected by workers. This both minimizes costs and provides seamless, career-long portability and choice for individual workers.

Conclusion

The next steps for Secure Choice are to prepare and release a Request for Proposals (RFP) for the market and feasibility study. The Board will then consider the study's recommendations and submit a final report to the state legislature, which will need to enact an authorizing statute to fully implement the program. The Board anticipates beginning to enroll participants in early 2016.

Our recommendation would be to enlist both a non-financial industry consulting firm and a California institution of higher learning with pension and retirement security expertise to conduct the market research and feasibility study. This combination of academic rigor with practical market and management analysis would be ideal for developing objective and thorough recommendations for Secure Choice.

As we have written before, Secure Choice presents a unique and promising opportunity to develop a new retirement savings model that could significantly narrow the retirement security gap. The program is ambitious in scope, and would benefit from taking advantage of economies of scale and default policies that make it simple and intuitive for workers to save. Further, Secure Choice could best accomplish its goal of creating a more equitable retirement savings landscape by utilizing policies and design choices that recognize that many of the workers who could most benefit from the program have low incomes, potentially complex and inconsistent work arrangements, and a range of savings needs.

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